newthink! cement! sugar! refractories! power!

THRU SPEED POST/COURIER

DRL/SEC/SE/19-20/ 27 16th August, 2019

The Head – Listing & Compliance,
Metropolitan Stock Exchange of India Limited
Vibgyor Tower, 4th Floor,
Plot No.C 62, G-Block,
Opp. Trident Hotel, Bandra Kurla Complex,
Bandra (East), Mumbai-400098

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range,
Kolkata-700 001

Dear Sir,

Re: Annual Report for the financial year 2018-19

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Annual Report of the Company for the financial year 2018-19.

You are kindly requested to acknowledge the receipt.

Thanking you.

Yours faithfully,
For **Dalmia Refractories Limited**

AKANS
HA JAIN

Digitally signed by AKANSHA JAIN
DN: c=IN, o=Personal, postalCode=110092, st=Delhi, 2.5.4.20=7587854cf151badf876f6af580ced3e0d63d75ff0699a403858dad141ffd1f3d, serialNumber=ac1b5f9b8fb5618ab7c35349abe63ebe8dd5a2e35b1fad96deb1449c55c6a5a9, cn=AKANSHA JAIN
Date: 2019.08.14 17:35:22 +05'30'

(Akansha Jain)
Company Secretary

Encl: As above

Dalmia
Refractories

ANNUAL REPORT
2018-19

Dalmia Refractories Limited

Disclaimer/forward-looking statement

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

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

FROM THE MD's DESK

Dear stakeholders,

This year marks an important leap in our journey as we have crossed not only milestones but geographical boundaries too.

The principal highlight of the year was our entry into Europe through acquisition route.

We successfully acquired GSB Group, Europe's number one manufacturer of lances, a product that helps steelmakers manufacture clean steel. This is our group's first-ever international business acquisition which opens up considerable opportunities to upsell and cross-sell solutions and services across customers in Europe. The purchase of this business also provides us with technology access that helps us deliver an enhanced and differentiated capability to customers in India. More importantly, this transaction sends out a message of our focused commitment and growth appetite, which should translate into superior numbers across the foreseeable future. This has also made it possible to advance our revenues and reduce the time involved in building our presence internationally.

Dalmia Seven, Your Company's joint venture with Seven Refractories, also commissioned a state-of-the-art production line in Katni, Madhya Pradesh, for an investment of Rs 20 Cr. It is India's most advanced monolithic refractory production facility, which will strengthen our service offerings and enhance customer satisfaction through quicker fulfilment of orders. We believe that this investment will address the growing appetite for our products, strengthen our brand and enable us to increase our market share.

During the year under review Your Company achieved a revenue growth of 34% with EBITDA growing by almost 3.5 times to Rs 17.8 Cr, signifying that our growth was not only attractive but also profitable.

The new financial year has begun robustly with a formidable order book, having some large project orders from prominent companies which should translate into consistent growth in revenue and earnings. The global refractory market continues to grow in line with the demand growth of heavy industries. There is growing optimism that the global refractory market is expected to grow from US$ 23.3 billion in 2018 to US$ 26.3 billion by 2023, catalyzed by growth in global steel, non-ferrous metals, cement, glass and petrochemical sectors.

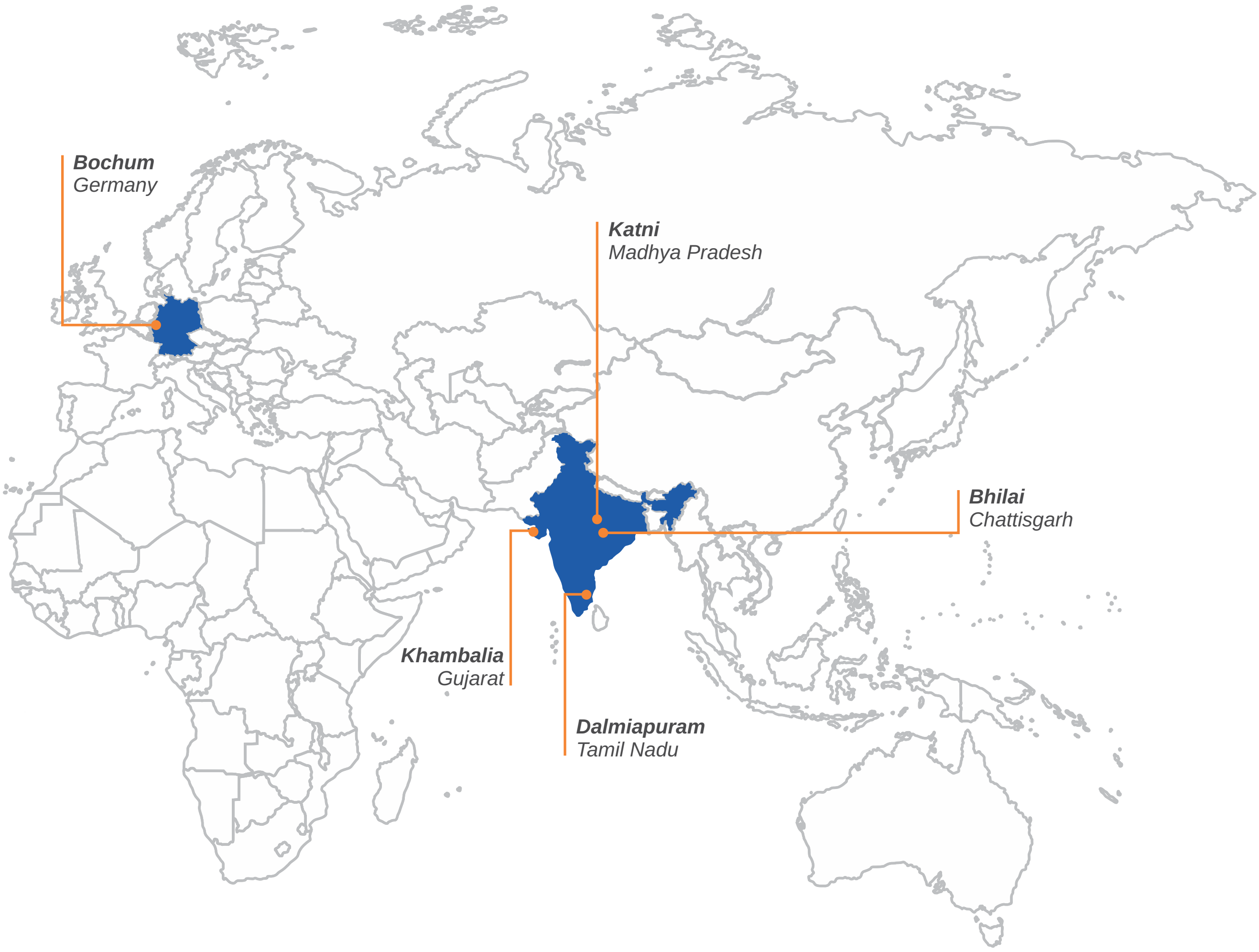
With India poised to emerge as a preferred manufacturing hub for steel, driven by government programs like Make in India among others, demand for refractories is expected to significantly increase. Also the government's thrust on infrastructure spending and Housing For All 2022, is expected to further boost the buoyancy of refractories. India's economy is expected to be positive, with Indian refractory market estimated to grow above 7-8% in FY20 and FY21, virtually matching the growth of our national economy.

Our growth and performance is on the back of a very committed and dependable workforce and also continued support from all our stakeholders. I thank each and everyone for being a part of this journey and look forward for your continued support as always.

Sincerely,

Sameer Nagpal

COMPANY OVERVIEW



Fire within, the zeal and commitment to achieve highest levels of success and eagerness to rise beyond all expectations - these are characteristics that have helped Dalmia Refractories Limited maintain its leadership position for well over 40 years now. Dalmia Refractories is a pioneer in Alumino-Silicate refractories with a market share of over 50% in Alumina bricks used in manufacturing of cement.

The company has recently commissioned a state-of-the-art manufacturing facility in Katni as part of its JV with Seven Refractories of Europe. The JV called Dalmia Seven offers advanced monolithic refractory solutions to customers in India. Also, through the recent acquisition of GSB Group of Germany, Dalmia Refractories is now the leading supplier of lances and snorkels to steelmakers in Europe.

Be it personnel or knowledge development, material selection, a high quality and reliable service or technology upgradation - as one of the oldest and foremost suppliers of refractories, Dalmia Refractories is sweetly poised to marry the benefits of its newly acquired strengths to its customers' unique and specialised needs.

Set up in 1973, Dalmia Refractories Limited (previously Shri Nataraj Ceramics and Chemical Industries Ltd.) is today a preferred partner to major Indian cement manufacturers and iron & steel makers. The company also executes supply and installation projects for various green- and brown-field projects for customers across the globe. The company is headquartered in New Delhi and currently operates five manufacturing plants including the one in Germany (see map above).

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The global refractories market is expected to reach to US$ 41,103 million by end of 2026, exhibiting a CAGR of 4.2%. India is expected to exhibit promising growth in the global refractories market, registering a CAGR of 5.4%.

Refractories have significant applications in the manufacturing processes for steel, iron, cement, non-ferrous metals, glass and other industries. The market for refractories in India is witnessing a steady growth due to the growing production of steel, cement and non-ferrous materials,. Among the aforesaid end use industries, steel & iron is the most dominating industry, accounting for more than 65% of the overall refractory consumption.

The Indian steel industry has entered into a new development stage, riding high on the resurgent economy and rising demand for steel. India became the 2nd largest steel producer in 2018. The Indian steel demand is projected to grow by 7.3% in 2019, while globally the same has been projected to grow by 1.4% in 2019.

In addition to Steel, Cement Industry strongly contributes to refractory consumption. India is the second largest producer of cement in the world. The industry at the moment is growing at the rate of 6-7%. The growth in the cement industry is expected to boost the demand for refractories.

Besides, increase in the production of non-ferrous materials and investments in other industries such as Glass is also expected to drive the demand for refractories.

Business Performance and Future Outlook

The Company's profitability improved considerably as it made a profit of Rs. 394.71 lakhs in FY 2018-19 as against a loss of Rs. 637.73 lakhs during the previous year, on a consolidated basis. The Company focused on offering value-added products and executing effective cost control measures.

Looking at the significant growth opportunities offered by the global Steel market, the Company expanded its footprint in the European market by acquisition of GSB Group, GmbH (Germany)- a leading producer of Lances and Snorkels in Europe. This acquisition has strengthened our product portfolio and opened up opportunities to market its products internationally. In order to remain competitive and to offer high-quality products for our customers, we have undertaken several initiatives both on product development and manufacturing processes

FY 2020 Outlook

The Company has started the year with a strong order book and primarily due to increased focus on projects business. The subsidiary in Germany, GSB, is also well poised to grow by adding Indian manufactured products to their portfolio. With commissioning of Dalmia Seven plant, it is expected that sales will ramp up significantly during this financial year.

We will continue to develop value-added products, offer broader line of services, grow our network, leverage our international presence, enhance our manufacturing and technological capabilities to serve the evolving requirements of our customers. We remain committed to growth and sharing benefits with our stakeholders.

Risks & Opportunities

Risks

- ***Raw Materials: Pricing and Availability***
  Raw materials purchasing entails risks relating to its availability and price trends. As China continues its anti-pollution movement, the mining restrictions have pushed raw material prices higher. We limit this risk mainly by monitoring the situation very closely and taking informed decisions.

- ***Profitability through Large Projects***
  Fluctuations in raw material pricing along the duration of large projects can influence our profitability. We mitigate this risk by monitoring the markets, meticulous

planning of projects and training our teams on various technical and project management skills.

- ***Temporary Slowdown in the Steel Industry***
  A temporary slowdown in the Steel industry can impact our growth. The steel industry is dependent on the growth of auto industry. The growth in auto sector for next year is expected to be subdued, due to various reasons including transition to BS-VI, the new emission norms.

Opportunities

- *Due to expanded presence in Europe, we now have an opportunity to cross-sell our existing product range in the international markets along with domestic growth.*
- *Increased penetration into Steel segment offers significant growth opportunities to our company.*

Internal Controls and their adequacy

The Company has an adequate internal financial controls commensurate with the size of the Company and nature of its business which are reviewed periodically. The internal auditors of the Company conduct regular internal audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required.

Human Resources

Our employees play a pivotal role in ensuring sustainable business growth and future readiness of our organisation. The Company has various programmes on a continuous basis to provide professional skills to them for better talent management and developmental needs of the organisation. As on 31 March 2019, we have over 328 employees across the Country. The Human Resources function strengthens our business foundation by bring, retaining and developing the right talent.

Financial Performance (Consolidated)

- *Revenues: Revenues stood at Rs. 24,142 Lakhs, increasing by 34%, compared to Rs. 18,076 Lakhs in FY 2018-19*
- *Profit before tax: Profit before tax increased to Rs. 588 Lakhs from loss of Rs. 911 Lakhs in FY 2018-19.*
- *Tax expenses: Tax expenses for the year stood at Rs. 193 Lakhs as compared to tax credit of Rs. 274 lakhs in FY 2018-19.*
- *Net profit: Net profit for the year under review stood at Rs. 395 Lakhs as compared to a loss of Rs. 638 Lakhs in FY 2018-19.*

Financial Ratios (Consolidated)

The details of significant changes in some of the key financial ratios is explained below:

- *Operating Profit Margin: An increase of 182% in the Operating Profit Margin in the FY 2018-19*
- *Net Profit Margin: An increase of 146% in the Net Profit Margin in FY 2018-19*

The aforesaid increase is resultant to operational growth as discussed in above Section.

CORPORATE INFORMATION

Dalmia Refractories Limited
CIN: L24297TN1973PLC006372

Head Office
4, Scindia House, Connaught Place,
New Delhi- 110001

Registered Office
Dalmiapuram, P.O. Kallakudi-621651
Dist. Tiruchirapalli, Tamil Nadu

Directors
Mr. Sameer Nagpal- Managing Director
Mr. C. Nagaratnam
Mr. M.K. Doogar
Mr. Deepak Thombre
Ms. Leena Rawal
Mr. N. Gopalaswamy (upto 31st March, 2019)
Mr. P.D. Mathur (upto 31st March, 2019)

Key Managerial Personnel
Mr. C.N. Maheshwari, Chief Executive Officer
Mr. Manoj Kumar Rathi, Chief Financial Officer
Ms. Akansha Jain, Company Secretary

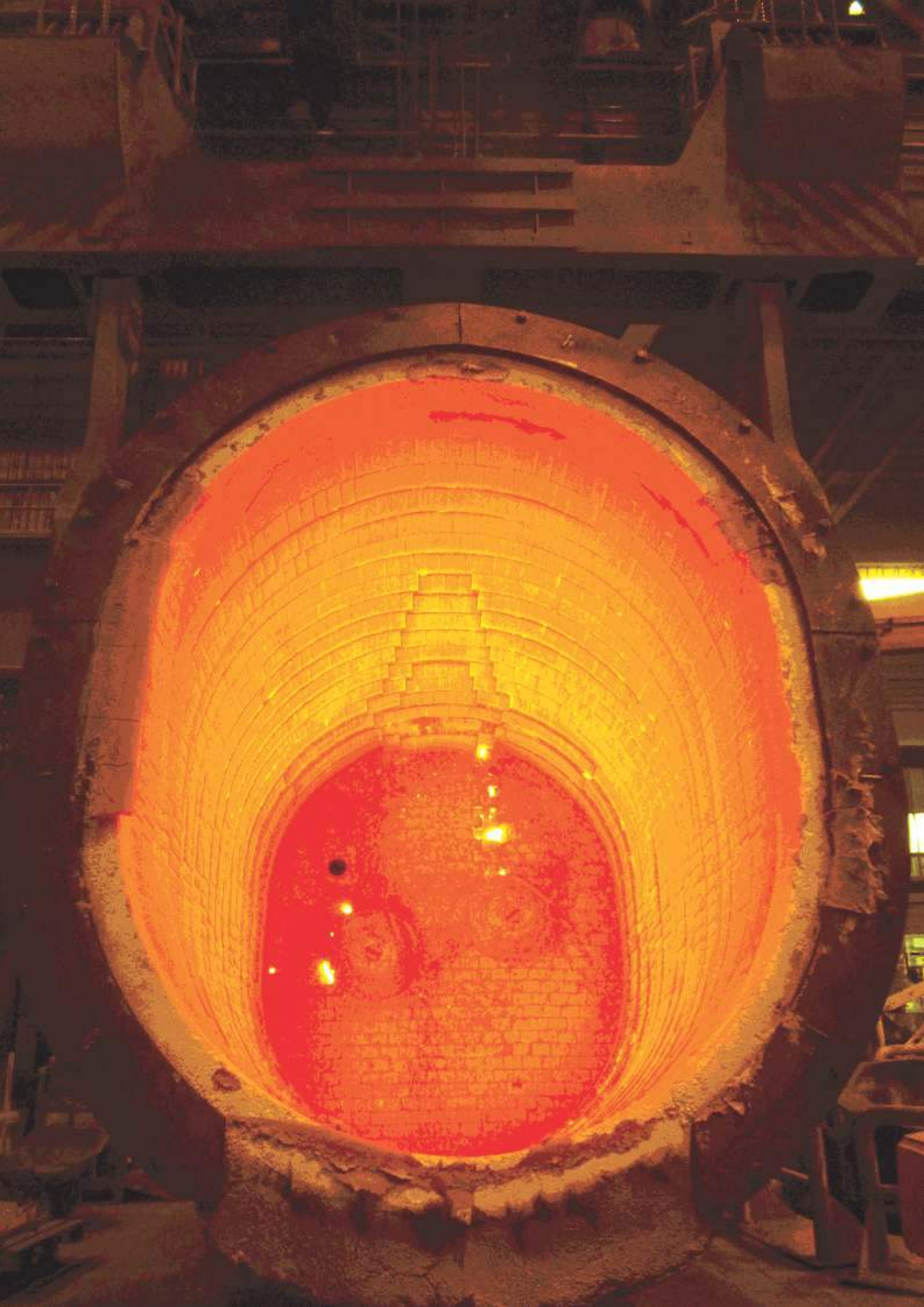
Bankers
Axis Bank
Punjab National Bank
IndusInd Bank

Registrar & Share Transfer Agent
Karvy Fintech Private Limited
(Formerly known as Karvy Computershare Private Limited)
Karvy Selenium Tower B, Plot No. 31-32,
Financial District, Nanakramguda,
Hyderabad- 500032

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

Khambalia – 361 305
Dist. Devbhumi Dwarka. Gujarat

Auditors
M/s Chaturvedi & Shah
Chartered Accountants



DIRECTORS' REPORT

Your Directors hereby present the Forty Sixth Annual Report together with Audited Financial Statements for the year ended 31st March, 2019.

(Rs. in Lakhs)

Financial Results	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
REVENUE	19786.11	18027.73	24142.04	18076.10
Profit before interest, Depreciation and Tax	1759.62	434.15	1979.27	84.55
Less: Interest and financial charges	163.52	91.13	314.00	91.23
Profit/(Loss) before depreciation and Tax	1596.10	343.02	1665.27	(6.68)
Less: Depreciation	789.14	903.56	1077.76	904.79
Profit/(Loss) Before Tax	806.96	(560.54)	587.51	(911.47)
Current tax	405.00	29.64	614.80	29.64
Deferred Tax (Credit)/Charge	(301.69)	(272.72)	(422.01)	(303.38)
Profit/(Loss) after tax before share of profit in associates	703.65	(317.46)	394.71	(637.73)
Less: Share of minority interest	-	-	(169.80)	(37.76)
Profit/(Loss) after tax	703.65	(317.46)	564.51	(599.97)
Other Comprehensive Income	(3141.29)	3186.35	(3037.18)	3186.35
Total Comprehensive Income	(2437.64)	2868.89	(2642.47)	2548.62
Add: Surplus brought forward	21106.14	18275.19	20823.19	18274.36
Corporate Dividend and Tax Thereon	19.00	37.95	19.00	37.95
Add: Provision for dividend Distribution tax written back				
Profit available for appropriation	18695.76	21106.14	18636.44	20823.19
Surplus carried forward after appropriations	18695.76	21106.14	18636.44	20823.19

Note: Previous year figures have been regrouped / re-arranged wherever considered necessary.

Dividend

Your Directors have recommended a dividend of Re. 1 (10%) per equity share of face value of Rs.10/- each for the current financial year ended 31st March, 2019. The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

Operations and Future Outlook

The Company's profitability improved considerably as it has made a profit of Rs. 703.65 lakhs in 2018-19 against a loss of Rs. 317.46 lakhs during the previous year. During the year the Company has focused on offering value-added products and executing effective cost control measures.

In a bid to remain competitive and to offer high-quality products for our customers, we are strengthening our manufacturing capabilities by modernizing our facilities. Going forward, this move will help us better focus on core markets and leverage growth opportunities.

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

The Company continues to be engaged in the business of manufacturing, distribution and rendering of services relating to refractories during the financial year 2018-19.

Transfer to Reserves

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

Subsidiaries, Associates and Joint Venture Companies

During the year under the review, on 11th December, 2018, the Company has acquired 100% stake in Rheinsee 690 VV GmbH, a limited liability company incorporated under the German laws which has been renamed as "Dalmia Refractories Germany GmbH" for expansion of operations internationally. In turn Dalmia Refractories Germany GmbH, has taken over 100 % stake in GSB Group GmbH during the month of January, 2019.

Further, the Company on 24th January, 2019, has directly acquired 35% stake in GSB Refractories India Private Limited, subsidiary of GSB Group GmbH making GSB Refractories India Private Limited, a wholly owned subsidiary of the Company. The effective date of the acquisition of GSB Group GmbH and GSB Refractories India Private Limited is 1st January, 2019.

Dalmia Seven Refractories Limited continues to be the 51% subsidiary of the Company during the year.

The report on the financial position of the Company's Subsidiaries, Dalmia Seven Refractories Limited, Dalmia Refractories Germany GmbH, GSB Group GmbH and GSB Refractories India Private Limited for the year ended March 31, 2019 is attached in Form AOC-1 and forms part of this report as Annexure -1.

The Annual Reports of the Subsidiaries are not being published and any member desirous of obtaining a copy of the same may write to the registered office of the Company or download the same from the Company's website www.dalmiarefractories.com. Any member desirous to inspect the same, may conduct inspection at the Registered Office of the Company during business hours.

During the said financial year, no Company ceased to be a subsidiary of the Company and apart from those mentioned above, the Company does not have any other associate or joint venture Company.

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

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS) 110, the Annual Report includes Consolidated Financial Statements for the financial year 2018-19 which have been prepared based on audited financial statements of all subsidiaries including step down subsidiaries, associates and the joint venture companies.

Corporate Governance

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 effective and strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision making. The Company's Corporate Governance Report has been detailed in a separate Chapter and is attached separately to this Report. The Auditors' Certificate confirming compliance of Corporate Governance Code is also attached as annexure and forms part of this report.

Corporate Social Responsibility Initiatives

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility were not applicable to the Company for the financial year 2018-19. Hence, the Company was not statutorily required to make any expenditures in this regard. However, the Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby areas, where the Company's plants are located.

Annual Return

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the annual return of your Company for the financial year 2018-19 will be uploaded at the Company's website www.dalmiarefractories.com.

Directors and Key Managerial Personnel

During the year, the Shareholders in the Annual General Meeting of the Company have approved the appointment of Mr. Sameer Nagpal as the Managing Director of the Company w.e.f. 1st June, 2018 for a term a five years.

Mr. N. Gopalaswamy and Mr. P.D. Mathur who were appointed as Independent Directors of the Company in the Annual General Meeting held on 12.08.2014, for a term of 5 years to hold office upto 31.03.2019 have ceased to be the Directors of the Company w.e.f. 31.03.2019 pursuant to the expiry of their term of appointment on 31.03.2019.

All the remaining Independent Directors of the Company namely, Mr. M.K. Doogar and Mr. Deepak Thombre, have *given their declaration of independence in terms of Section 149(6) of the Companies Act, 2013.*

Ms. Leena Rawal, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. She has given a declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that she is not disqualified from being re-appointed as a Director of the Company.

During the year, Mr. Manoj Kumar Rathi has been appointed as the Chief Financial Officer of the Company w.e.f. 31st October, 2018 pursuant to the retirement of Mr. Sudhir Kumar Srivastava on 30th September, 2018. The other Key Managerial Persons continue to hold their respective offices during the year under review.

Board of Directors, Committees and Meetings

The Board of Directors of the Company met five times during the financial year 2018-19, i.e., on 25th May 2018, 13th August 2018, 31st October 2018, 10th December 2018 and 8th February 2019. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days. In terms of the provisions of Rule 8 of Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors excluding all other Directors and Officials of the Company was also held. Reference is invited to the attached Corporate Governance Report for the details thereof.

As on 31.03.2019, there are three Board level committees. The composition, terms of reference and other details of all Board level Committees have been elaborated in the Corporate Governance Report annexed to this Report.

Nomination and Remuneration Policy

In terms of the Companies Act, 2013 and SEBI LODR Regulations, the Board of Directors has framed the Nomination and Remuneration Policy of the company. The said policy lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the objective –

- *(a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
- *(b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;*
- *(c) to adopt best practices to attract and retain talent by the Company; and*
- *(d) to ensure diversity of the Board of the Company.*

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

The details of familiarization programs imparted to Independent Directors of the Company during the financial year 2018-19 can be accessed at the website of the Company at https://www.dalmiarefractories.com/upload/document/Familarisation-Programme-for_Independent-Directors-2018-19.pdf

Performance Evaluation

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

Whistle Blower Policy and Vigil Mechanism

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

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

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls commensurate with the size of the Company and nature of its business which are reviewed periodically. The Internal Auditors of the Company conduct regular internal audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required.

The roles and responsibilities of all talents and functions have been clearly laid out through a number of detailed standard operating procedure and delegation of authority. The risks identified in the audits are immediately accounted for in the processes and gets addressed through the Standard Operating Procedures.

Particulars of Loans, Guarantees and Investments

Your Company has given guarantees, provided security and made investments within the limits, with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at Note No. 5.

Related Party Policy and Transactions

The Company has formulated a Related Party Transactions

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

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

Risk Management

Your Company has adopted a robust risk management programme which serves as a guideline for respective components of risk which have a common resonance across the Company. The risk management programme is not aimed at eliminating risks, as that would simultaneously eliminate all chances of rewards / opportunities. It is instead focused on ensuring that risks are known and being addressed proactively through a well-defined framework.

The Company, through its Risk Management Policy, presents an enterprise-wide approach to ensure that key aspects of risk that have an enterprise-wide impact are considered in its conduct of business. The risk management procedure of the Company is summarized below:

Establishment of Context	*This is focused on laying down objectives that the Company seeks to achieve and safeguard. Risks are identified and prioritized in the context of these objectives*
Risk Identification	*This involves identification of relevant risks that can adversely affect the achievement of the objectives*
Risk Prioritization	*This involves assessing the relative priority of each risk to arrive at the key risks or Risks That Matter ('RTM'). This involves considering the potential impact and likelihood of occurrence of the risk.*
Risk Mitigation	*This involves design and implementation of activities that help manage risks to an acceptable level*
Risk Reporting and Monitoring	*A formal process to update the Board of Directors and the Audit Committee on the risk profile and effectiveness of implementation of mitigation plans.*

Auditors & Auditors' Report

Secretarial Auditors

In terms of section 204 of the Companies Act, 2013, Mr. N.C. Khanna, Practicing Company Secretary was appointed as the Secretarial Auditor, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed as 'Annexure 2' of this Report.

Statutory Auditors

M/s. Chaturvedi & Shah, Chartered Accountants were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 24th August, 2017 to hold office as such till the conclusion of Annual General Meeting of the Company to be held in 2021-22.

The Company has received a certificate from them to the effect that they are eligible to continue as the Statutory Auditors of the Company and that they comply with the limits prescribed under the Companies Act, 2013 read with relevant rules. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Comments On Auditors Report

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

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

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

The Statement reflecting the particulars relating to conservation of energy and technology absorption is attached to the Report as Annexure-3.

The total foreign exchange earned by the Company during the financial year 2018-19 is Rs. 1508.62 lakhs and the total foreign exchange used by the Company during the financial year 2018-19 is Rs. 4838.04 lakhs.

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

The particulars of remuneration of Directors and Key Managerial Personnel and other particulars in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-4 of the Report.

A statement sharing the names and other particulars of the employees in terms of the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure-4A.

Employees' Stock Option Scheme

During the year, the shareholders on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company have approved the Dalmia Refractories Limited – Employee Stock Option Plan 2018 (DRL ESOP Plan 2018) in accordance with the applicable SEBI Guidelines. The ESOP Plan provides for grant of stock options to eligible employees and Directors of the Company. The ESOP Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

The Nomination and Remuneration Committee of the Company has, during the year, granted 1,65,000 stock options under the DRL ESOP Plan 2018.

There is no change in the ESOP plan during the financial year under review. The ESOP plan is in compliance with the SEBI Regulations.

As required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the applicable disclosures as on 31st March, 2019 are available on the Company's website at www.dalmiarefractories.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.

Public Deposits

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

Industrial Relations

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

Disclosures

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

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

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such records are duly being maintained.

Material Changes and Commitments

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

Directors Responsibility Statement:

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

- *i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;*
- *ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;*
- *iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;*
- *iv) the Directors had prepared the annual accounts on a going concern basis.*
- *v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.*
- *vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.*

Acknowledgment

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

For and on behalf of Board

Deepak Thombre
Chairman
DIN:02421599

Place: New Delhi
Dated: 24th May 2019

ANNEXURE-1
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Sl. No.	Particulars	Names			
1.	Sl. No.	1.	2.	3.	4.
2.	Name of the subsidiary	**Dalmia Seven Refractories Limited**	**GSB Group GmbH**	**Dalmia Refractories Germany GmbH**	**GSB Refractories India Pvt Ltd**
3.	The date since when subsidiary was acquired	16.12.2016	01.01.2019	12.12.2018	01.01.2019
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	Euro 1 Euro= 77.7024	Euro 1 Euro= 77.7024	NA
6.	Share capital	1000.00	359.70	1,458.77	75.00
7.	Reserves & surplus/other equity	(424.43)	1,313.54	96.54	672.49
8.	Total assets	3647.04	5,388.94	11,965.91	2,042.80
9.	Total Liabilities	3071.47	3,715.70	10,410.59	1,295.31
10.	Investments	-	329.77	8,374.58	-
11.	Turnover	1869.08	3,173.75	-	695.52
12.	Profit before taxation	(461.72)	483.29	(84.86)	94.73
13.	Provision for taxation Deferred tax	(115.18)	(8.00)	-	2.87
14.	Profit after taxation	(346.54)	311.12	(84.86)	62.23
15.	Proposed Dividend	-	-	-	-
16.	Extent of shareholding (In percentage)	51%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

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

Part "B": Associates and Joint Ventures – NOT APPLICABLE

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

Deepak Thombre
Chairman
DIN:02421599

Date: 24th May 2019
Place : New Delhi

C.N. Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

ANNEXURE-2

Secretarial Audit Report
For The Financial Year Ended 31 March 2019

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

To,
The Members,
DALMIA REFRACTORIES LIMITED
CIN:- L2429TN1973PLC006372
Dalmiapuram P.O. Kallakudi
Tiruchirapalli
Tamil Nadu – 621651
India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DALMIA REFRACTORIES LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the DALMIA REFRACTORIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DALMIA REFRACTORIES LIMITED for the financial year ended on 31.03.2019 according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;*
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;*
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act, 2013 and dealing with client;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and*
   *(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**

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

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

   (a) The Mines Act – 1952 Mines Rule

(b) *Metalliferous Mines Regulation – 1961*
(c) *Mines Labour Welfare Fund Act*
(d) *Explosives Rules & Regulations*

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

(i) *Secretarial Standards issued by The Institute of Company Secretaries of India(ICSI).*
(ii) *SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable labour, environmental and industrial laws, rules, regulations and guidelines.

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

Place : NEW DELHI
Date : 24th May 2019

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

ANNEXURE-A

Secretarial Audit Report

To,
The Members,
DALMIA REFRACTORIES LIMITED
CIN:- L2429TN1973PLC006372
Dalmiapuram P.O. Kallakudi
Tiruchirapalli
Tamil Nadu – 621651
India

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

1. *Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.*

2. *I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.*

3. *I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.*

4. *Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*

5. *The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.*

6. *The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.*

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

Place : NEW DELHI
Date : 24th May 2019

ANNEXURE-3

Prescribed Particulars of Conservation of Energy & Technology Absorption

A. Conservation Of Energy

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

(i) The mill house modernization program with high output roller crusher has been implemented to improve the productivity and reduce the power consumption.

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

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

(i) Transparent sheets have been laid down on the roofs in the plants to utilize the sunlight in the daytime to reduce the power consumption

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

(c) The capital investment on energy conservation equipments:

The Company has invested about Rs. 1.06 crores during the FY 2018-19 to conserve the energy.

B. Technology Absorption:

1. The efforts made towards technology absorption:

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

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

Nil

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

4. Expenditure incurred on Research and Development.

Nil

ANNEXURE-4

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 Of The Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19

Sl. No.	Name of Director	Remuneration of Director for Financial year 2018-19 (Rs.in lacs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. N. Gopalaswamy, Independent Director	2.50	108%	1.03:1
2.	Mr. P.D. Mathur Independent Director	2.50	61%	1.03:1
3.	Mr. M.K. Doogar Independent Director	2.10	68%	0.87:1
4.	Mr. Deepak Thombre Independent Director	2.20	144%	0.91:1
5.	Mr. C. Nagaratnam Non - Executive Director	2.45	113%	1.01:1
6.	Ms. Leena Rawal Non-Executive Director	1.25	25%	0.52:1
7.	Mr. Sameer Nagpal* Executive Director	-	-	-
8.	Mr. C.N. Maheshwari** Chief Executive Officer	79.52	-	-
9.	Mr. Sudhir Kumar Srivastava Chief Financial Officer (Upto 30.09.2018)	24.60	9%	-
10.	Mr. Manoj Kumar Rathi Chief Financial Officer (Effective 31.10.2018)	33.55	Not Applicable	-
11.	Ms. Akansha Jain Company Secretary	5.87	15%	-

** Mr. Sameer Nagpal, Managing Director of the Company (w.e.f. 01.06.2018) is in the employment of Dalmia Bharat Limited, a Promoter Group Company and has not drawn any remuneration from the Company during the year.*
*** The services of Mr. C.N. Maheshwari, Chief Executive Officer has been availed from Dalmia Bharat Limited, which merged into Odisha Cement Limited during the year.*

Notes: 1. Sitting fees paid to Directors for attending the meetings of the Board and Committees and Commission paid to the Directors on the net profits of the Company forms part of the Remuneration paid to Directors.
2. Mr. N. Gopalaswamy and Mr. P.D. Mathur has ceased to be the Directors of the Company w.e.f. 31.03.2019.
3. The median remuneration of employees of the Company during the financial year 2018-19 was Rs. 2.43 lakhs.

(ii) The percentage increase in the median remuneration of employees in the financial year was 8.77%.

(iii) There were 328 permanent employees on the rolls of Company as on March 31, 2019;

(iv) Average percentage increase in the salaries of employees other than managerial personnel is 9.23%.
Mr. Sameer Nagpal was appointed as the Managing Director of the Company during the year on 1st June, 2019 at Nil Salary. Further, apart from him, there was no other Manager or Whole-Time Director in the Company during the financial year 2018-19 and 2017-18 drawing managerial remuneration. Hence, not comparable.

(v) It is hereby affirmed that the remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

ANNEXURE-4A

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

S.No	Name	Age	Designation	Qualifications	Experience (Years)	Date of commencement of Employment	Last Employment held	Remuneration received (in Lakhs)	Whether related to a Director
1	Mr. Manoj Kumar Rathi	50	Deputy Executive Director	CA	23	04-Sep-2018	Grofers India Pvt Ltd	45.33	No
2	Mr. Rahul Goyal	33	Deputy General Manager	CA	11	03-Dec-2018	Eli Research India Pvt Ltd	14.20	No
3	Mr. Himanshu Das	50	Assistant Executive Director	B.Tech - Ceramic	25	14-May-2018	Tata Krosaki Ltd	36.88	No
4	Mr. Rakesh Gupta	47	General Manager	CA	21	01-May-2018	Jindal ITF Ltd	36.13	No
5	Mr. Nishant Nayan	39	General Manager	LLB	12	01-Mar-2019	Preethi Kitchen Appliances Pvt Ltd	3.28	No
6	Mr. Sanat Ganguli	37	General Manager	B.Tech	3	03-Mar-2016	Wislo India (Wugang)	37.70	No
7	Mr. UM Moorthy	58	Assitant Executive Director	B.Tech	35	01-Feb-2004	Vishwakarma Refractories Ltd	35.88	No
8	Ms. Rohini Kumar	35	Deputy General Manager	MBA	12	09-Apr-2018	Eicher Polaris Pvt Ltd	32.28	No
9	Mr. Sumanta Mukhopadhyay	52	General Manager	B.E., M.B.A	30	15-Feb-2017	V.M. Corporation	30.07	No
10	Mr. Sarbeswar Das	52	General Manager	B.TECH	29	10-Jun-2013	Tata Krosaki Ltd	26.33	No

Notes:

1. *Remuneration shown above is Cost to Company (CTC) excluding graduity; and from the date of joining for the employees who have joined during the year.*
2. *None of the above employees held 2% or above of the equity shares of the Company as on 31st March, 2019 either by himself/herself and/or along with his/her spouse or dependent children.*


Dalmia
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REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance

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

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

II. Board Of Directors

Composition of the Board

As on 31st March, 2019, the Company's Board comprised of seven members – one Executive Director and six Non-Executive Directors out of which four are Independent Directors and one Woman Director. Mr N. Gopalaswamy, a Non- Executive Independent Director is the Chairman of the Board of Directors. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, none of the Directors are related to each other or to any Key Managerial Personnel of the Company.

Out of the above, the term of two Independent Directors, Mr. N Gopalaswamy and Mr. P. D. Mathur has expired on 31st March 2019 and Mr. Deepak Thombre, Independent Non Executive Director has been appointed as the Chairman of the board w.e.f 1st April, 2019.

All the Independent Directors have given a declaration of independence in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets at least once a quarter and additional meetings are held, when necessary.

The Board of Directors met five times during the financial year 2018-19 i.e., on 25th May 2018, 13th August 2018, 31st October 2018, 10th December 2018 and 8th February 2019. 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 2 provides the names of the listed entities where the Directors of the Company hold directorship and the category of directorship. And Table 3 is a Chart setting out the skills/expertise/ competence of the Directors as identified by the Board in context of the Business (es) and sector(s) for Board to function effectively.

None of the Directors on the board of the Company have been debarred or disqualified from being appointed and continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory Authority. A Certificate in this regard from Mr. N.C. Khanna, Practising Company Secretary is enclosed at the end of the report.

Table 1:
Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of Other Directorship(s) and Committee(s) Memberships' / Chairmanships'		
		Number of Board Meetings		Last AGM	Other Directorships' @	Committee Memberships' #	Committee Chairmanships' #
		Held	Attended				
Mr. N.Gopalaswamy	Independent	5	5	Yes	4	6	3
Mr. Deepak Thombre	Independent	5	5	No	-	1	-
Mr. C. Nagaratnam	Non-Executive	5	5	No	-	2	1
Mr. P.D. Mathur	Independent	5	5	No	-	2	-
Mr. M.K. Doogar	Independent	5	5	No	7	7	3
Mr. Sameer Nagpal	Executive	5	4	No	1	-	-
Ms. Leena Rawal	Non-Executive	5	5	No	5	-	-

@The directorships held by the Directors do not include directorship of foreign companies and private limited companies.
 # As required under Regulation 26(1)(b) of the SEBI (LODR) Regulations, 2015, the membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee alone have been considered.

Note: Mr. N. Gopalaswamy and Mr. P.D. Mathur have ceased to be the Directors of the Company w.e.f. 31st March, 2019 pursuant to the expiry of their term of appointment as Independent Directors on the said date.

Table 2:
Details of other Listed Entities in which directorship is held by the Directors of the Company

Name of the Directors	Name of the other listed entities in which directorship held	Category
Mr. N. Gopalaswamy	1.Dalmia Bharat Limited 2.Poddar Pigments Limited	Non-Executive & Independent Director Non-Executive & Independent Director
Mr. Deepak Thombre	Nil	-
Mr. C. Nagaratnam	Nil	-
Mr. P.D. Mathur	Nil	-
Mr. M.K. Doogar	1.Sanghi Industries Limited 2.Kamdhenu Limited 3.Morgan Ventures Limited 4.Frick India Limited	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Mr. Sameer Nagpal	Nil	-
Ms. Leena Rawal	1.Alirox Abrasives Limited	Whole Time Director & CEO

Table 3:
Chart setting out Core Skills/ Expertise and Competencies of the Directors identified by the Board

Sl. No.	Name of the Director	Category	Core Skills/ Expertise and Competencies
1.	Mr. N. Gopalaswamy	Industry Expert (Technical)	Holds a B.Sc. degree in Chemistry from Madras University and a B.E. degree in Chemical Engineering from Annamalai University. Has over 50 years of experience in the Manufacturing Industry.
2.	Mr. Deepak Thombre	Management Expert (Management Coach)	An Engineering Graduate with Masters in Management Studies. Has about 35 years of experience in various managerial capacities in several organizations of repute.
3.	Mr. C. Nagaratnam	Industry Expert (Technical)	Holds a Bachelors degree in Mechanical Engineering. Has about 35 years of experience in the Industry.
4.	Mr. P. D. Mathur	Finance Expert	Fellow member of Institute of Chartered Accountants of India Has over 30 years of experience in the field of Taxation, Management Assurance and Corporate Advisory services.
5.	Mr. M.K. Doogar	Finance Expert	Fellow member of Institute of Chartered Accountants of India Has over 40 years of experience in the field of Corporate Finance, Taxation, Statutory and Internal Audits of Companies, Banks etc
6.	Mr. Sameer Nagpal	Business/ Management Expert	Holds a Bachelor's degree in Mechanical Engineering from Delhi Technological University and a Post Graduate Diploma in Business Management from Indian Institute of Management Calcutta. Has over 25 years of experience in various managerial capacities.
7.	Ms. Leena Rawal	Legal Expert	Holds a Bachelors degree in Law from Delhi University and a fellow member of Institute of Company Secretaries of India. Has over 15 years of experience in legal, taxation and Secretarial Compliances.

Meeting of Independent Directors and Familiarization Programme

During the year under review, the Independent Directors met on 8th February, 2019 without the attendance of non-independent directors and members of the management. All independent directors of the company were present at the meeting. The meeting of the directors was held to inter alia:

i) review the performance of the Non Independent Directors and the Board as a whole;

ii) assess the quality, quantity and timelines of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company namely, Mr. M.K. Doogar and Mr. Deepak Thombre, have given their declaration of independence in terms of Section 149(6) of the Companies Act, 2013. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

The Company is regularly imparting familiarization programmes for its Independent Directors. The details of such familiarization programme for the year have been disclosed at https://www.dalmiarefractories.com/upload/document/Familarisation-Programme-for_Independent-Directors-2018-19.pdf.

Information Supplied to the Board

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

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 for further strengthening the systems adopted to ensure compliance of all applicable laws.

The Board has accepted all the recommendations made by its Committees during the year.

Details of the shares and convertible instruments held by the Directors as on 31st March, 2019

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

III. Committees Of The Board

As on 31st March, 2019, the Company has three Board-level Committees – Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

The Board in its meeting held on 8th February, 2019 has dissolved the Risk Management Committee as constitution of such Committee was mandatory for top 500 listed entities only. All the functions of the Risk Management Committee have been re-assigned to Audit Committee.

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

a) Audit Committee

As on 31st March 2019, the Audit Committee comprised of four members namely Mr. N. Gopalaswamy, Chairman of the Audit Committee, Mr. C. Nagaratnam, Mr. M.K Doogar and Mr. P.D. Mathur. The committees' composition met the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possessed requisite accounting and financial management expertise. Mr. N. Gopalaswamy, Chairman of the Audit Committee was present at the Annual General Meeting held on 19th September, 2018.

The Audit Committee met four times during the year on 23rd May, 2018, 13th August, 2018, 31st October, 2018 and 8th February, 2019 same dates as Board Meetings. The time gap between any two meetings was less than four months. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Attendance Record of DRL'S Audit Committee during 2018-2019

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

Note: The composition of Audit Committee has changed w.e.f. 01.04.2019.

The Board has accepted all the recommendations made by the Audit Committee. The Statutory Auditor and Internal Auditors are also regularly invited by the Audit Committee to discuss their comments and recommendation of accounts, internal controls and processes. The Statutory Auditors and Internal Auditors were present at all Audit Committee meetings held during the year. The Chief Executive Officer and Chief Financial Officer are permanent invitees to the meetings of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

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

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

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

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

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.*

Fees paid to Statutory Auditors

The amount of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to, the Statutory Auditor in the financial year 2018-19 is disclosed in Note No. 24.

b) Nomination and Remuneration Committee

As on 31st March 2019, the Nomination and Remuneration Committee comprises of four members namely Mr. P.D. Mathur, Chairman of the Committee, Mr. N. Gopalaswamy, Mr. C. Nagaratnam and Mr. Deepak Thombre. Ms. Akansha Jain, Company Secretary is the Secretary to the Committee.

During the financial year ended March 31, 2019, four meetings of the Nomination and Remuneration Committee were held on 25th May 2018, 13th August 2018, 31st October 2018 and 8th February, 2019. Mr. N. Gopalaswamy, member of the Audit committee was authorised by the Chairman of the Committee on his behalf to attend the Annual General Meeting of the Company held on 19th September 2018.

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

Composition and Attendance Record of DRL'S Nomination and Remuneration Committee during 2018-19

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

Note: The composition of Nomination and Remuneration Committee has changed w.e.f. 01.04.2019.

The terms of reference of Nomination and Remuneration Committee are:

The Nomination and Remuneration Committee is empowered and authorized, inter-alia, to do all such acts, deeds and things and to perform all such duties as may be required under the Companies Act, 2013 and rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, as may be amended / modified from time to time, and such other matters as may be referred to the Nomination and Remuneration Committee from time to time, including but not limited to:

- *Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, remuneration for the Directors, Key Managerial Personnel and other employees;*
- *devising a policy on diversity of Board of Directors.*
- *Identifying persons who are qualified to become Directors / Independent Directors in accordance with the criteria laid down, and recommend to the Board their appointment and removal;*
- *Identifying and selecting potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;*
- *Review and evaluate the performance of the Directors; and*
- *Recommend to the board, all remuneration, in whatever form, payable to senior management*

Performance Evaluation criteria for Independent Directors

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

Remuneration Paid to 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 Directors are given below:-

Details of remuneration paid to Directors for 2018-19

(Rs. Lakhs)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission	Total
Mr. N.Gopalaswamy	Independent	1.90	-	-	0.60	**2.50**
Mr. Deepak Thombre	Independent	1.60	-	-	0.60	**2.20**
Mr. C. Nagaratnam	Non-Executive	1.85	-	-	0.60	**2.45**
Mr. P.D. Mathur	Independent	1.90	-	-	0.60	**2.50**
Mr. M.K. Doogar	Independent	1.50	-	-	0.60	**2.10**
Mr. Sameer Nagpal	Executive	-	-	-	-	-
Ms. Leena Rawal	Non-Executive	1.25	-	-	-	**1.25**

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

Mr. Sameer Nagpal, Managing Director has been granted 1,65,000 stock options on 31st October, 2018 under the DRL Employee Stock Option Scheme 2018 (DRL ESOP 2018) at a price of Rs. 150/- per share exercisable in the following manner:

Year of Vest	2019-20	2020-21	2021-22	2022-23
% of Vest	10	20	30	40

Apart from him, no other Director of the Company has been granted any stock options.

c) Stakeholders' Relationship Committee

As on 31st March, 2019, the Committee comprises of four members namely Mr. C. Nagaratnam, Mr. N. Gopalaswamy, Mr. Deepak Thombre and Mr. P.D. Mathur with Mr. C. Nagaratnam, Non-Executive Director acting as the Chairman of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee. The constitution, composition and functioning of the Stakeholders Relationship Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

Mr. N. Gopalaswamy, member of the Audit committee was authorised by the Chairman of the Committee on his behalf to attend the Annual General Meeting of the Company held on 19th September 2018.

The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders. The composition of Stakeholders' Relationship Committee and details of meetings attended by the members are given below:-

Attendance Record of DRL'S Stakeholders Relationship Committee during 2018-19

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

Note: The composition of Stakeholders' Relationship Committee has changed w.e.f. 01.04.2019.

The Name and Designation of the Compliance Officer is as follows:-

Ms. Akansha Jain, Company Secretary

The role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(2) Review of measures taken for effective exercise of voting rights by shareholders;

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, complaints received from investors were resolved in time to the satisfaction of the concerned investors. Details regarding the same are given below:-

Details of Complaints from Shareholders during 2018-2019

Nature of Complaint	Pending as on April 1 2018	Received during the year	Answered during the year	Pending as on March 31, 2019
1.Transfer/Transmission/Duplicate	NIL	54	54	NIL
2.Non-reciept of dividend/interest/redemption warrant	NIL	38	38	NIL
3.Non-reciepts of securities/electronic credits	NIL	NIL	NIL	NIL
4.Non-reciepts of Annual Reports	NIL	11	11	NIL
5.Compliants received from:				
-Securities and Exchange Board of India	NIL	3	3	NIL
-Stock Exchanges	NIL	NIL	NIL	NIL
-Registrar of Companies/Department of Company Affairs	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL
Total	**NIL**	**106**	**106**	**NIL**

IV. General Body Meetings

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

Details of last three AGMs

Financial year	Date of AGM	Time	Location
2017-2018	19.09.2018	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2016-2017	24.08.2017	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2015-2016	24.08.2016	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu

Special resolutions passed during the last three AGMs

Date of AGM	Particulars
19.09.2018	• Re-appointment of Mr. M.K. Doogar as Independent Director of the Company for a term of 2 years with effect from 1st April, 2019 • Appointment of Mr. Deepak Thombre as Independent Director for a term of 2 years. • Appointment of Mr. Sameer Nagpal as Managing Director for a term of 5 years w.e.f 1st June, 2018. • Approval of Dalmia Refractories Limited – Employees Stock Option Plan 2018 (DRL ESOP 2018) • Grant of options equal to or exceeding one percent of the issued capital to the identified employee/directors under the Dalmia Refractories Limited – Employees Stock Option Plan 2018 (DRL ESOP 2018)
24.08.2017	None
24.08.2016	None

Postal Ballot

No resolutions were passed by Postal Ballot during the year 2018-2019.

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 Fintech Private Limited for casting their votes at the Annual General Meeting.

V. Means Of Communication With Shareholders

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within 45 days of the close of every quarter and such results are published in the Financial Express, English Newspaper having nationwide circulation and Makkal Kural, Regional Newspaper, 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 uploaded on 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.

VI. General Shareholders Information

Annual General Meeting

Date : 12th September, 2019
Time : 11 a.m.
Venue : Dalmiapuram, P.O Kallakudi -621651, Distt Tiruchirapalli, Tamil Nadu.

Financial Calendar

Financial Year: 1st April, 2019 to 31st March, 2020

For the year ended 31st March, 2020, results will be announced:

- *First quarter : By mid of August, 2019*
- *Second quarter : By mid of November, 2019*
- *Third quarter : By mid of February, 2020*
- *Fourth quarter : By end of May, 2020*

Book Closure

The dates of book closure are from 11th September, 2019 to 12th September, 2019 inclusive of both days.

Dividend Payment

Your directors have recommended a final dividend of Re.1 (10%) per equity share of face value of Rs.10/- each for the financial year 2018-19.The dividend will be paid after the approval of the shareholders at Annual General Meeting.

If declared, Credit/dispatch of dividend warrants will be completed on or before 10th October, 2019.

Shares Transferred to IEPF

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

During the year under review, the Company has transferred 13,483 (0.43%) equity shares of the Company to the Demat Account of IEPF Authority of those shareholders of which dividend had remained unclaimed for seven consecutive years.

Listing of Securities

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

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

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

The annual listing fee has been paid for the year 2019-20 to both the above-mentioned Stock Exchanges.

Stock Code

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

Stock Market Data

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

At present, the shares of the Company are listed at Metropolitan Stock Exchange of India Limited and Calcutta Stock Exchange and no trading has taken place during the year 2018-19.

Registrar and Transfer Agent

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

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

Share Transfer System

The share transfers in the physical form were processed by the Registrar and Transfer Agent and were dispatched within a period of fifteen working days from the date of receipt, subject to documents being valid and complete in all respects.

SEBI vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline was extended by SEBI to April 1, 2019.

The Company has sent letters to those shareholders holding shares in physical form advising them to dematerialize their holding. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as now it is not possible to transfer shares or allot the fresh shares in physical mode.

Under the dematerialized system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialized form. The DP will generate a request for the dematerialization, which will be sent by it to the Company's Registrar and Transfer Agent. On receipt of the same the shares will be dematerialized.

The securities of the Company can be traded in electronic form, both on Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

Unclaimed Suspense Account

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

Distribution of Shareholding

The distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March, 2019 is given below:

Shareholding Pattern by size

Category (No. of Equity Shares held)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	3754	95.26	322042	10.22
501-1000	99	2.51	69452	2.20
1001-2000	45	1.14	67231	2.13
2001-3000	10	0.25	25194	0.80
3001-4000	8	0.20	28829	0.91
4001-5000	3	0.08	13576	0.43
5001-10000	9	0.23	71375	2.26
10001 and above	13	0.33	2554385	81.04
Total	**3941**	**100.00**	**3152084**	**100.00**

Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	10	0.25	779	0.02
Directors	2	0.05	58	0.01
H.U.F	34	0.86	12692	0.40
Bodies Corporate	49	1.24	35757	1.13
Non Resident Indians	1	0.03	100	0.01
Non Resident Indian Non-Repatriable	8	0.20	1957	0.06
Promoter Bodies Corporate	8	0.20	2043577	64.83
Resident Individuals	3827	97.11	975158	30.94
Trusts	1	0.03	50	0.00
IEPF	1	0.03	81956	2.60
Total	**3941**	**100.00**	**3152084**	**100.00**

Dematerialisation of Securities

As on 31st of March, 2019, 93.85% of Equity Shares of the Company were held in dematerialized form. The promoters of the Company hold their entire shareholding in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

Nil

Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company has in place a risk management policy for foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

Details of Plant Locations and Address for Correspondence

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

Website

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

Credit Rating

During the year, CARE (CARE Ratings Ltd) has given to the Company, the credit rating of CARE A-; STABLE for long term and CARE A-;STABLE/ CARE A2+ for short term facilities obtained by the Company from Banks. This reaffirms the Stable nature of the Company and its ability to meet its financial obligations.

VII. Disclosures

Related Party Transaction

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

Details of Non-Compliance by the Company

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

Whistle Blower Policy

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

Compliance

The Company is fully compliant with the applicable mandatory requirements of Corporate Governance provisions of SEBI (LODR) Regulations, 2015 specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.

Adoption of Non Mandatory Requirements

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

Subsidiary Monitoring Framework

All subsidiaries of the Company are Board managed with their respective Boards having rights and obligations to manage such companies in the best interest of their respective stakeholders. The Company monitors the performance of all subsidiary companies inter alia by the following means:-

(a) Financial Statements, in particular the investments made by the unlisted subsidiary companies are reviewed and noted by the Audit Committee of the Company.
(b) All minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board.
(c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Board.

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

As mandated by Regulation 46 of SEBI (LODR) Regulations, the Company has framed a policy on Material Subsidiaries and has displayed it on https://www.dalmiarefractories.com/pdf/Material-Subsidiary-Policy.pdf. As on 31st March, 2019, under this definition, DRL does not have a 'material non-listed Indian Subsidiary'.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Ind AS specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

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 designated persons and their relatives as defined under the code. 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.

Recommendation of Committees

During the year, the Board has accepted all the recommendations made by the Committees of the Board.

Disclosure of Complaints filed under Sexual Harassment Act

As disclosed in the Board Report, during the year no case of sexual harassment was filed in the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIII. Code of Conduct

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

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

IX. CEO/CFO Certification

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

CORPORATE GOVERNANCE CERTIFICATE

Independent Auditor's Certificate On Compliance With Conditions Of Corporate Governance As Per Provisions Of Chapter IV Of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

To the Members of Dalmia Refractories Limited

1. The Corporate Governance Report prepared by Dalmia Refractories Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2019, referred to in paragraph 1 above.

Other Matters And Restriction On Use

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Sd/-
Vijay Napawaliya
Partner
Membership No. 109859

Place: New Delhi
Dated: 24th May 2019

DIRECTORS' DISQUALIFICATION CERTIFICATE

CERTIFICATE
(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirement) Regulations, 2015; (LODR) in respect of Dalmia Refractories Limited (CIN: L24297TN1973PLC006372) I hereby certify that:

On the basis of the written representation /declaration received from the directors and taken on record by the Board of Directors , as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

Place: New Delhi
Date : 10th May 2019

NC KHANNA
(Practicing Company Secretary)
FCS No. 4268
CP No. 5143

CEO-CFO CERTIFICATE

To
The Board of Directors,
Dalmia Refractories Limited

Dear Sirs,

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2019.

Place: New Delhi
Dated: 24th May 2019

C.N. Maheshwari
Chief Executive Officer

To
The Board of Directors,
Dalmia Refractories Limited

Dear Sirs,

1. *We have reviewed the Financial Statements and Cash Flow Statement for the year ended March 31, 2019 and certify that to the best of our knowledge and belief:*
   1) *These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading.*
   2) *These Statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.*

2. *We certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.*
3. *We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.*

4. *We have indicated(wherever applicable) to the Auditors and the Audit Committee:*
   (i) *Significant changes in internal control over financial reporting during the year;*
   (ii) *Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and*
   (iii) *Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.*

Place: New Delhi
Dated: 24th May 2019

Manoj Kumar Rathi
Chief Financial Officer

C. N. Maheshwari
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Dalmia Refractories Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">(i) Inventories</td></tr>
<tr><td>As of 31st March, 2019, inventories appear on the financial statements for an amount of Rs. 4958.44 lakhs, which constitutes 53.24% of the total current assets. As indicated in note no. 6 to the financial statements, inventories are valued at the lower of cost and net realizable value:

The Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.

We focused on this matter because of the:

• Significance of the inventory balance.

• Complexity involved in determining inventory quantities on hand due to the number, location and diversity of inventory storage locations.

• Valuation procedure including of obsolete inventories.</td><td>Our audit procedures included the following:

• Review the Company's process and procedures for physical verification of inventories at year end except material in transit

• Assessing the methods used to value inventories and ensuring ourselves of the consistency of accounting methods.

• Testing by sampling the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories.

• Review of the reported acquisition cost on a sample basis.

• Analysis of the Company's assessment of net realizable value, as well as review of assumptions and calculations for stock obsolescence.

• Assessment of appropriateness of disclosures provided in the financial statements.</td></tr>
<tr><td colspan="2">(ii) Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting).</td></tr>
<tr><td>Revenue is recognized net of discounts & rebates earned by the customers on the Company's sales. The estimation of discounts & rebates recognized based on sales made during the year.

Revenue is recognized when control of the underlying products have been transferred along with satisfaction of performance obligation.

The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations and determination of transaction price of the identified performance obligations.

Further customer's incentive, rebate/discounts represent a material reduction in sales and process for calculating and recording the above involves significant manual process.

Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue.

Accordingly, it has been determined as a key audit matter.</td><td>We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following:

• Assessing the environment of the IT systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue, including the implemented controls of system changes.

• Examining customer invoices and receipts of payment on a test basis.

• We performed procedures to identify any significant transactions recorded as manual adjustments and obtained evidence to support the recognition and timing of incentive and rebate/discount amounts based on the individual agreements.

With regard to the expected impact of the initial application of Ind AS 115 from the financial year 2018 onward, our audit approach included, among other items:

• Assessing the Company's process to identify the impact of adoption of the new revenue accounting standards.

• Evaluating the design of internal controls and its operating effectiveness relating to implementation of the new revenue accounting standard.

• Verifying the completeness of disclosure in the financial statements as per Ind AS 115.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone 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 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 the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional skepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis-representations, or the override of internal control.*

- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.*

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*

- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*

- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

We communicate with those charged with governance regarding, among other matters, the planned scope and *timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

2. *Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:*

   a. *We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;*
   b. *In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;*
   c. *The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;*
   d. *In our opinion, the aforesaid Standalone financial statements comply with Ind AS prescribed under Section 133 of the Act read with rule ;*
   e. *On the basis of the written representations received from the directors of the Company as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;*
   f. *With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;*
   g. *With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act;*
      In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration has been paid / provided by the Company to its directors in accordance with provisions of section 197 read with Schedule V to the Act.
   h. *With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:*
      i. *The Company, as detailed in Note 29 to the Standalone financial statements, has disclosed the impact of pending litigations on its financial position.*
      ii. *The Company did not have any material foreseeable losses on long term contracts including derivative contracts for which there were any material foreseeable losses.*
      iii. *There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.*

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: New Delhi
Date: 24th May 2019

“ANNEXURE A” to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Dalmia Refractories Limited on the Standalone financial statements for the year ended 31st March, 2019)

(i) In respect of fixed assets:-

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

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

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

(ii) In respect of its inventories:-

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

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

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of grant of loans, making investments and providing guarantees & securities.

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

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

(vii) (a) According to the records of the company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, Goods and Service Tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, Goods and Service Tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute except as mentioned below:-

Name of the Statute	Nature of the Dues	Amount (Rs. Lakh)*	Period to which amount Relates	Forum Where the dispute is Pending
Madhya Pradesh Vat Act, 2002	Sales Tax	5.44	2009-10 to 2014-15	Sales Tax Department, Katni
The Gujarat VAT Tax Act, 2003	Sales Tax	35.07	2001-2002	Supreme Court
Finance Act, 1994	Service Tax	71.14	2004-05 to 2011-12	CESTAT Ahmedabad
Finance Act, 1994	Service Tax	77.38	2013-14 to 2014-15	Commissioner (Appeals), Rajkot
Finance Act, 1994	Service Tax	41.61	2014-15	Assistant Commissioner of Central GST & Central Excise, Jamnagar

**Net off amount paid*

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

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

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

(xi) *In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.*

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

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

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

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

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

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: New Delhi
Date: 24th May 2019

"ANNEXURE B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Dalmia Refractories Limited on the Standalone financial statements for the year ended 31st March, 2019.

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

We have audited the internal financial controls over financial reporting of Dalmia Refractories Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the

Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: New Delhi
Date: 24th May 2019

Dalmia Refractories Limited

Balance Sheet as at March 31, 2019

(Rs. in lakh)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	10,530.20	11,184.95
(b) Capital work - in - progress	4	38.32	36.84
(c) Financial assets			
(i) Investments	5.1	10,177.81	10,555.10
(ii) Loans	5.2	81.68	88.18
Total non-current assets		20,828.01	21,865.07
Current assets			
(a) Inventories	6	4,958.44	5,177.81
(b) Financial assets			
(i) Investments	7.1	0.30	0.30
(ii) Trade receivables	7.2	3,043.05	2,341.69
(iii) Cash and cash equivalents	7.3	451.14	105.77
(iv) Bank balances other than (iii) above	7.4	168.91	20.34
(v) Loans	7.5	347.68	147.86
(vi) Other financial assets	7.6	6.83	2.35
(c) Current tax assets (net)	8	27.13	134.84
(d) Other current assets	9	309.97	227.43
Total current assets		9,313.45	8,158.39
Total assets		**30,141.46**	**30,023.46**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10.1	315.21	315.21
(b) Other equity	10.2	18,695.76	21,106.14
Total equity		19,010.97	21,421.35
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	11	226.18	-
(b) Provisions	12	308.70	386.36
(c) Deferred tax liabilities (net)	13	1,995.29	2,302.55
Total non-current liabilities		2,530.17	2,688.91

Dalmia Refractories Limited

Balance Sheet as at March 31, 2019

(Rs. in lakh)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	2,014.00	2,518.07
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	14.2	316.20	-
(b) Total outstanding dues other than Micro Enterprises and Small Enterprises	14.2	3,318.95	2,704.10
(iii) Other financial liabilities	14.3	119.59	14.42
(b) Other current liabilities	15	2,772.98	643.70
(c) Provisions	16	58.60	32.91
Total current liabilities		8,600.32	5,913.20
Total Equity & Liabilities		**30,141.46**	**30,023.46**

See accompanying notes to the financial statements

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in lakh)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	17	19,786.11	18,027.73
II	Other income	18	545.82	480.97
III	**Total income (I + II)**		**20,331.93**	**18,508.70**
IV	Expenses			
	Cost of materials consumed	19	9,950.56	10,666.61
	Purchases of stock in trade		1,705.85	336.91
	Changes in inventories of finished goods and work-in-progress	20	(254.05)	(72.46)
	Employee benefits expense	21	2,634.24	2,689.51
	Finance costs	22	163.52	91.13
	Depreciation and amortization expense	23	789.14	903.56
	Other expenses	24	4,535.71	4,453.98
	Total expenses		**19,524.97**	**19,069.24**
V	Profit / (loss) for the year before tax (III-IV)		806.96	(560.54)
VI	Tax expense	25		
	(1) Current tax		405.00	29.64
	(2) Deferred tax		(301.69)	(272.72)
			103.31	(243.08)
VII	Net Profit/(Loss) for the year after tax (V - VI)		703.65	(317.46)
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss	26		
	Re-measurement gains/(losses) on defined benefit plans		(19.12)	19.32
	Income tax relating to items that will not be reclassified to profit or loss	25	5.57	(6.69)
	Re-measurement gains/(losses) on investment		(3,127.74)	3,173.72
			(3,141.29)	3,186.35
IX	Total comprehensive income for the year (VII + VIII)		**(2,437.64)**	**2,868.89**
X	Earnings per equity share	27		
	Nominal value of equity shares (Rs 10.00 each)			
	(1) Basic		22.32	(10.07)
	(2) Diluted		22.32	(10.07)

See accompanying notes to the financial statements

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

Cash Flow Statement for the year ended March 31, 2019

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net Profit before tax	806.96	(560.54)
Adjustments:		
Depreciation & Amortization Expense	789.14	903.56
Provision no longer required written back	(233.52)	(59.81)
Provision for doubtful debts written back	(12.77)	17.37
Bad Debts written off	27.11	6.79
Dividend Income	(11.88)	(7.72)
Finance Cost	163.52	91.13
Interest Income	(34.61)	(20.19)
(Profit)/ Loss on sale of Current Investments	(29.07)	(58.87)
Financial Guarantee Income	(10.99)	-
(Profit)/ Loss on disposal of Property, Plant & Equipment	8.06	(245.12)
Operating Profit before working capital changes	**1,461.95**	**66.60**
Adjustments for working capital changes :		
Inventories	219.37	(1,503.67)
Trade and Other Payables	3,276.45	445.61
Trade and Other Receivables	(991.55)	(647.78)
Cash Generated from Operations	**3,966.22**	**(1,639.24)**
Income Taxes Paid/ (Refund)	297.29	(23.72)
Net Cash from/ (used in) Operating activities	**3,668.93**	**(1,615.52)**
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP	(165.85)	(79.36)
Sale proceeds of Property, Plant & Equipment	43.02	308.00
Sale of Current Investments (net)	29.07	1,570.29
Investment in Subsidiaries	(2,438.86)	(500.00)
Margin Money/Fixed Deposits with banks	(148.57)	-
Interest Received	30.13	21.31
Dividend Received	11.88	7.72
Net Cash used in Investing Activities	**(2,639.18)**	**1,327.96**
C Cash Flow from Financing Activities		
Proceeds from/(Repayment of) Short term Borrowings (Net)	(504.07)	289.13
Finance Cost	(159.21)	(61.73)
Dividends Paid (including dividend distribution tax)	(21.10)	(42.14)
Net cash from/ (used in) financing activities	**(684.38)**	**185.26**
Net increase in cash and cash equivalents (A+B+C)	**345.37**	**(102.30)**
Cash and cash equivalents (Opening Balance)	105.77	208.07
Cash and cash equivalents (Closing Balance)	451.14	105.77
Change in Cash & Cash Equivalents	**345.37**	**(102.30)**

Dalmia Refractories Limited

Cash Flow Statement for the year ended March 31, 2019

(Rs. in lakh)

Components of Cash & Cash Equivalents	As At March 31, 2019	As At March 31, 2018
Balances with banks		
- in Current Accounts	18.27	105.13
Cheques in hand	-	0.52
Silver Coins/Stamps	0.13	0.12
Deposits with maturity of less than three months	432.74	-
Net Cash & Cash Equivalents	**451.14**	**105.77**

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

Statement of Changes in Equity for the year March 31, 2019

(a) Equity Share Capital

(Rs. in lakh)

Balance of Equity Share Capital	As at 31 March 2017	Changes during the year	As at 31 March 2018	Changes during the year	As at 31 March 2019
	315.21	-	315.21	-	315.21

(b) Other equity

(Rs. in lakh)

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium	General Reserve	Retained earnings	Share Options outstanding account	Equity instruments through other comprehensive income	Actuarial Gain & Losses on DBO	
As at 31 March 2017	**588.02**	**804.82**	**10,519.92**	**-**	**6,376.76**	**(14.33)**	**18,275.19**
Movement during FY 17-18							
Loss of the year			(317.46)	-			(317.46)
Other comprehensive income	-	-			3,173.72	12.63	3,186.36
Dividend and CDT Payment	-	-	(37.95)	-	-		(37.95)
As at 31 March 2018	**588.02**	**804.82**	**10,164.52**	**-**	**9,550.48**	**(1.70)**	**21,106.14**
Movement during FY 18-19							
Profit of the year			703.65	-			703.65
Other comprehensive income	-	-			(3,127.74)	(13.55)	(3,141.29)
Dividend and CDT Payment	-	-	(19.00)		-		(19.00)
Employees Stock Options Expense	-	-	-	46.26	-		46.26
As at 31 March 2019	**588.02**	**804.82**	**10,849.17**	**46.26**	**6,422.74**	**(15.25)**	**18,695.76**

Nature and Purpose of Reserves

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

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

c Share options outstanding account - Amount attributable towards share options granted to an employee of the company has been credited to the reserve.

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

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Note 1: Corporate Information

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

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

These financial statements of the Company for the year ended 31st March 2019 were approved and adopted by board of directors of the Company in their meeting held on 24th May 2019.

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

2.1 Basis of preparation, measurement and significant accounting policies

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

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented.

Historical cost convention

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

Functional and presentation currency

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

Current vis-à-vis non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.2 Critical accounting estimates and judgements

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

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

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

b. Recognition and measurement of defined benefit obligations
The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

e. Impairment of Financial and Non-Financial Assets
The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

g. Income Tax:
The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

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

2.3 Recent accounting pronouncements - Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

A) ISSUE OF IND AS 116 - LEASES
Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

B) AMENDMENT TO EXISTING STANDARDS
The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Note 3: Significant Accounting policies

3.1 Property, plant and equipment

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

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

Depreciation methods, estimated useful lives and residual value:
Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.

Certain items of PPE has been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

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

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

3.2 Intangible assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. for assets acquired in a business combination, at fair value on the date of acquisition
b. for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

3.3 Impairment of Non-financial assets

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

3.4 Trade Receivables

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

3.5 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

3.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

3.7 Borrowing Cost

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

3.8 Segment Reporting

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

3.9 Employee Benefits

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

a. Short-term employee benefits

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

b. Defined contribution plan

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

c. Defined benefit plan

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

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.10 Inventories

a. Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

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

c. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.11 Revenue recognition and other income:

The Company derives revenues primarily from sale of manufactured goods, traded goods & related services.

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of adoption of the standard on financial statements of the Company is insignificant.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts in respect of exports are fulfilled at the time of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Sale of Goods

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

Sale of Services

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

Other Operating Income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives. The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.

Interest Income:

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

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

3.12 Foreign Currency Transactions

• Initial recognition

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

• Conversion

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

• Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.13 Taxes

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

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

Deferred tax

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

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

3.14 Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is disclosed in the notes in case of:

- *There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.*
- *A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation*
- *A present obligation arises from the past event, when no reliable estimate is possible*
- *A present obligation arises from the past event, unless the probability of outflow are remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.*

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

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

3.15 Cash & Cash Equivalents

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

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

Cash flow statement

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

3.16 Financial Instruments

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

(a) Investment and other Financial Assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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

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

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

Equity investments

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

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

(iii) Impairment of financial assets:

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when:
•The Company has transferred the rights to receive cash flows from the financial asset or
• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

(v) Contributed equity:

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

(b) Financial Liabilities & Equity

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) Subsequent measurement:

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

Borrowings: *Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.*

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

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

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

(iv) Derecognition:

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

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

Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.17 Dividend Distribution

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

3.18 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.19 Share Based Payments

Equity-settled share based payments to employees and directors providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 34.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis 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 Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

<u>Non-Current Assets:</u>

4 Property, Plant and Equipment

Tangible and Intangible assets

Rs. in lakh

Particulars	Land Free Hold	Land Lease Hold	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Total Tangible Assets	Computer software	Total Intangible Assets
Gross Carrying Amount										
Balance as at 31 March 2017	5,962.11	348.93	2,913.67	3,844.14	48.76	14.13	6.75	13,138.49	7.92	7.92
Additions	-	-	-	27.42	14.31	0.80	-	42.53	-	-
Disposals/Adjustment	-	95.43	-	-	-	-	-	95.43	-	-
Balance as at 31 March 2018	5,962.11	253.50	2,913.67	3,871.56	63.07	14.93	6.75	13,085.59	7.92	7.92
Additions	-	21.10	-	142.99	18.70	2.68	-	185.47	-	-
Disposals/Adjustment	-	-	11.39	71.96	0.14	0.61	-	84.10	-	-
Balance as at 31 March 2019	**5,962.11**	**274.60**	**2,902.28**	**3,942.59**	**81.63**	**17.00**	**6.75**	**13,186.96**	**7.92**	**7.92**
Accumulated Depreciation										
Balance as at 31 March 2017	-	26.62	232.54	716.46	23.78	2.57	1.27	1,003.24	7.36	7.36
Depreciation for the year	-	24.00	187.46	666.95	20.54	2.78	1.27	903.00	0.56	0.56
Accumulated depreciation on disposals	-	5.60	-	-	-	-	-	5.60	-	-
Balance as at 31 March 2018	-	45.02	420.00	1,383.41	44.32	5.35	2.54	1,900.64	7.92	7.92
Depreciation for the year	-	18.34	160.33	593.85	13.02	2.33	1.27	789.14	-	-
Accumulated depreciation on disposals	-	-	1.14	31.32	0.14	0.42	-	33.02	-	-
Balance as at 31 March 2019	-	63.36	579.19	1,945.94	57.20	7.26	3.81	2,656.76	7.92	7.92
Net Carrying Amount										
As at 31 March 2018	5,962.11	208.48	2,493.67	2,488.15	18.75	9.58	4.21	11,184.95	-	-
As at 31 March 2019	5,962.11	211.24	2,323.09	1,996.65	24.43	9.74	2.94	10,530.20	-	-
Capital work-in- progress										
Balance as at 31 March 2017	-	-	-	-		-	-	-	-	-
Additions	-	-	-	-	-	-	-	36.84	-	-
Assets capitalised during the year	-	-	-	-		-	-	-	-	-
Balance as at 31 March 2018	-	-	-	-	-	-	-	36.84	-	-
Additions	-	-	-	-	-	-	-	38.32	-	-
Assets capitalised during the year								(36.84)		
Balance as at 31 March 2019	-	-	-	-	-	-	-	38.32	-	-

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Non- Current Assets: Financial Assets**		
5.1	**Investments**		
A	Unquoted Investment		
	Investments in Subsidiaries (At Cost)		
	5,100,000 (Previous year March 31, 2018 51,00,000) shares of Dalmia Seven Refractories Ltd of Rs 10 each fully paid up	510.00	510.00
	1,825,000 (Previous year March 31, 2018 NIL) shares of Dalmia Refractories Germany GMBH of Euro 1 each fully paid up	1,489.37	-
	262,500 (Previous year March 31, 2018 NIL) Shares of GSB Refractories India Private Limited of Rs. 10 each fully paid up	1,060.39	-
	Deemed Investment in Dalmia Refractory Germany GMBH	200.68	-
B	Quoted Investments		
	Quoted fully paid up Equity Shares of Others (At FVTOCI)		
	1,000 Shares (Previous year March 31, 2018 1000 shares) of Dalmia Bharat Sugar Industries Limited of Rs 2.00 each	1.24	0.64
	698,952 Shares (Previous year March 31, 2018 349,476 shares) of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) of Rs 2.00 each	6,916.13	10,044.46
		10,177.81	**10,555.10**
	Aggregate amount of Non-Current Investments		
	Particulars		
	Aggregate amount of quoted investments	6,917.37	10,045.10
	Market value of quoted investments	6,917.37	10,045.10
	Aggregate amount of unquoted investments	3,260.44	510.00
5.2	**Loans**		
	Advances to Employees		
	- Unsecured & Good	-	10.59
	Security Deposit		
	- Unsecured & Good	81.68	77.59
		81.68	**88.18**

Dalmia Refractories Limited

Notes to the financial statements as on March 31, 2019

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Current Assets:		
6	**Inventories**		
	Raw materials	1,907.09	2,435.10
	Work - in - progress	271.70	234.91
	Finished goods	2,134.08	1,916.82
	Stores and spares	472.89	389.34
	Loose tools	2.89	2.92
	Goods in transit:		
	Raw materials	166.88	197.96
	Stores and spares	2.91	0.76
		4,958.44	**5,177.81**
7	**Current financial assets**		
7.1	**Current Investments**		
	Mutual Funds (At FVTPL)		
	HDFC Floating Rate Fund (Units 3084.371, Previous year March 31, 2018 : 2947)	0.30	0.30
		0.30	**0.30**
	Aggregate Book value of quoted investments	**0.30**	**0.30**
	Fair value of quoted investments	**0.30**	**0.30**
7.2	**Trade Receivables**		
	- Trade Receivable considered good - Secured	-	-
	- Trade Receivable considered good - Unsecured	3,043.05	2,341.69
	- Trade Receivables which have significant increase in Credit Risk	-	-
	- Trade Receivables - credit impaired	179.92	243.61
		3,222.98	2,585.30
	Less:- Provision for expected credit loss	(179.92)	(243.61)
		3,043.05	**2,341.69**
7.3	**Cash & Cash Equivalents**		
	Balances with banks		
	- in Current Accounts	18.27	105.13
	Cheques in hand	-	0.52
	Silver Coins/ Stamps	0.13	0.12
	Deposits with maturity of less than three months	432.74	-
		451.14	**105.77**

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	7.4 Bank Balances		
	Fixed Deposits (of maturity exceeding three months but upto one year)	155.00	-
	Margin Money	1.58	5.91
	Margin money with bank (including accrued interest)		
	- Earmarked for unpaid dividend	10.07	12.17
	- Earmarked for Debenture and Interest	2.26	2.26
		168.91	**20.34**

'There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During FY 2018-19, Rs. 2.88 lakh (PY 2017-2018 Rs. 5.82 lakh) on account of unclaimed dividend was credited to the Investor Education and Protection Fund.

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	7.5 Loans		
	Amount recoverable from employees		
	- Unsecured, considered good	14.19	12.99
	Amount recoverable from others		
	- Unsecured, considered good	333.49	134.87
		347.68	**147.86**
	7.6 Others Financial Assets		
	Unsecured, considered good		
	- Interest receivable	6.83	2.35
		6.83	**2.35**
8	**Current Tax Assets (net)**		
	Advance income tax (net of provision for tax)	27.13	134.84
		27.13	**134.84**
9	**Other Current Assets**		
	Prepaid expenses	49.44	11.36
	Balance with statutory authorities	260.53	216.07
		309.97	**227.43**
10	**Equity:**		
	10.1 Share Capital		
	Authorised		
	5,000,000 Equity Shares of Rs 10 each	500.00	500.00
	Issued, Subscribed & fully paid up		
	3,152,084 Equity shares of Rs 10 each	315.21	315.21

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018

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

	No. of shares	Amount
As at 31 March 2017	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2018	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2019	**31,52,084**	**315.21**

Rights, restrictions and preferences attached to each class of shares

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

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

	As at March 31, 2019		As at March 31, 2018	
Equity shares of Rs. 10 each fully paid	**Number**	**% Holding**	**Number**	**% Holding**
Alirox Abrasives Limited	2,47,187	7.84%	2,47,187	7.84%
Mahendra Girdharilal Wadhawani	1,81,067	5.74%	1,81,067	5.74%
Akhyar Estate Holding Private Limited	14,46,840	45.90%	14,46,840	45.90%
Garvita Solutions Service and Private Limited	3,49,530	11.09%	3,49,530	11.09%

		As at March 31, 2019	As at March 31, 2018
10.2	**Other Equity**		
a.	**Securities Premium Account**		
	Opening and Closing Balance	588.02	588.02
b.	**General Reserve**		
	Opening and Closing Balance	804.82	804.82
c.	**Share options outstanding account**		
	Opening Balance	-	-
	Employee share-based payment expense	46.26	-
	Closing Balance	46.26	-
d.	**Retained Earnings**		
	Opening balance	10,164.52	10,519.92
	(+) Net Profit/(Net Loss) for the year	703.65	(317.46)
	Payment of Dividend and CDT Payment	(19.00)	(37.95)
	Closing Balance	10,849.17	10,164.52

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	e. Comprehensive Income		
	Opening Balance	9,548.78	6,362.43
	Addition During The year	(3,127.74)	3,173.72
	Total Income recognised on Equity instruments	6,421.04	9,536.15
	Actuarial Gain & Losses on DBO	(13.55)	12.63
	Closing Balance	6,407.49	9,548.78
	Grand Total	**18,695.76**	**21,106.14**
	Non - current liabilities:		
11	**Financial Liabilities**		
	Payable towards purchase consideration of Investment	79.78	-
	Financial guarantee obligation	146.40	-
		226.18	-
12	**Provisions**		
	Provision for employee benefits		
	- Gratuity	11.22	-
	- Leave Encashment	38.92	74.37
	Provision against asset retiring obligation	258.56	311.99
		308.70	**386.36**
13	**Deferred Tax Liability**		
	Deferred tax liability		
	On account of Property, Plant & Equipment	2,080.69	2,458.55
		2,080.69	2,458.55
	Deferred tax assets		
	On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis	33.01	35.00
	On account of unabsorbed depreciation & business losses	-	37.77
	On account of provision for doubtful debts	52.39	83.23
		85.40	156.00
	Net deferred tax liability	**1,995.29**	**2,302.55**

(Rs. in lakh)

(i) Movement in deferred tax items

FY 18-19	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	2,440.49	(359.80)		2,080.69
Difference in Book value of Inventory	18.06	(18.06)		-
Expenses allowed on payment basis	(35.00)	7.56	(5.57)	(33.01)
Provision created for bad & Doubtful debts	(83.23)	30.84		(52.39)
Recognition of DTA on business losses and accumulated depreciation	(37.77)	37.77		-
Net Deferred tax liability / (asset)	2,302.55	(301.69)	(5.57)	1,995.29

FY 17-18	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	2,678.43	(237.94)		2,440.49
Difference in Book value of Inventory	9.98	8.08		18.06
Expenses allowed on payment basis	(40.45)	(1.24)	6.69	(35.00)
Provision created for bad & Doubtful debts	(79.35)	(3.88)		(83.23)
Recognition of DTA on business losses and accumulated depreciation	-	(37.77)		(37.77)
Net Deferred tax liability / (asset)	2,568.61	(272.75)	6.69	2,302.55

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Current liabilities:		
14	**Financial Liabilities**		
	14.1 Borrowings		
	Secured - at amortised cost		
	Loans repayable on demand		
	- from banks Cash Credit	1,707.63	140.77
	- from banks Bill Discounting	306.37	-
	- from banks Buyers credit	-	2,377.30
		2,014.00	**2,518.07**

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018

1. The above borrowings are secured by first pari passu charge on the entire current assets of the company, both present and future, exclusive charge over fixed assets of the company's units situated at Khambalia, District Jamnagar, Gujarat including EM over factory land and building at Khambalia (59,186 Sq mt), exclusive charge over all the other movable fixed assets of the company (excluding vehicles financed by other banks/FIs), both present and future.

2. The Cash Credit facility and Bill Discounting have a tenure of One year from the date of sanction and is repayable on demand/due dates and carries interest and which varies from 9.25% to 11.60%.

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
14.2	**Trade Payables**		
a)	Total outstanding dues of Micro and Small Enterprises (Refer note below)	316.20	-
b)	Total outstanding dues of creditors other than Micro and Small Enterprises	3,318.95	2,704.10
	Total	**3,635.15**	**2,704.10**

Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the company is as under:

Particulars		
Principal amount due and remaining unpaid	326.94	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
		-
	326.94	-

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
14.3	**Other financial liabilities**		
	Unpaid matured debentures and interest	2.25	2.25
	Unpaid dividend	10.07	12.17
	Payable towards purchase consideration of Investment	31.11	-
	Financial guarantee obligation	43.30	-
	Book Overdraft	32.85	-
		119.59	**14.42**

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
15	**Other current liabilities**		
	Advances from Customers	2,498.50	429.78
	Statutory Liabilities	162.29	130.12
	Other Payables	112.19	83.80
		2,772.98	**643.70**
16	**Provisions**		
	Provision for employee benefits		
	- Leave Encashment	56.81	26.82
	- Gratuity	1.79	6.09
		58.60	**32.91**

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
17	**Revenue from operations**		
	A. Sale of products*		
	Refractories	17,270.01	17,098.47
	Calcined Bauxite	326.91	197.56
	Traded goods	1,866.85	424.61
		19,463.77	17,720.64
	B. **Sale of Services**	200.33	235.99
		200.33	235.99
		19,664.10	17,956.63
	C. Other Operating Revenue		
	Scrap Sales	122.01	71.11
		122.01	71.11
		19,786.11	18,027.74

*Inclusive of Excise duty in PY 2017-18.

Disaggregated revenue information is disclosed above.

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
18	**Other income**		
	Interest income from bank/others	34.61	20.19
	Dividend income	11.88	7.72
	Provision/liabilities no longer required written back	233.52	59.81
	Provision for Doubtful Debt written back	12.77	-
	Financial Guarantee Income	10.99	-
	Profit on Sale of Property plant and equipment	-	245.12
	Net profit on sale of current investments	29.07	58.87
	Foreign Exchange Fluctuation	-	17.00
	Other non-operating income	212.98	72.26
		545.82	480.97
19	**Cost of Materials consumed**		
	Raw Material Consumed	9,950.56	10,666.61
		9,950.56	10,666.61
20	**Changes in inventories of finished goods and work - in - progress**		
	Inventories at the beginning of the year		
	Work-in-Progress	234.91	217.16
	Finished Goods	1,916.82	1,862.11
		2,151.73	2,079.27
	Less - Inventories at the end of the year		
	Work-in-Progress	271.70	234.91
	Finished Goods	2,134.08	1,916.82
		2,405.78	2,151.73
	Changes in inventories of finished goods and work - in - progress	**(254.05)**	(72.46)
21	**Employee benefits expense**		
	Salaries, wages, Allowances & Commission	2,286.46	2,358.14
	Contribution to Provident & Other funds	101.93	101.58
	Employee share-based payment expense	46.26	-
	Gratuity & Pension	84.94	125.56
	Staff welfare expenses	114.65	104.23
		2,634.24	2,689.51

Dalmia Refractories Limited

Notes to the financial statements as on March 31, 2019

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
22	**Finance costs**		
	Interest on Cash Credits	95.36	18.87
	Unwinding Discount on Asset Retirement Obligation	4.31	29.41
	Interest - Others	63.85	42.85
		163.52	91.13
23	**Depreciation and amortization expense**		
	Depreciation of tangible assets	789.14	903.00
	Amortization of intangible assets	-	0.56
		789.14	903.56
24	**Other expenses**		
	Consumption of stores & spare parts	209.82	202.59
	Power and fuel	1,328.20	1,379.33
	Packing, freight & transport	713.02	600.71
	Commission	210.95	247.24
	Rent	4.61	20.89
	Repairs to buildings	28.34	25.10
	Repairs to machinery	357.30	373.43
	Repairs others	36.43	46.00
	Insurance	9.23	13.60
	Rates and taxes	57.08	22.79
	Payment to the auditors		
	- as auditor	8.00	8.04
	- for other services	15.25	10.62
	- for reimbursement of expenses	4.92	5.84
	Advertisement & publicity	3.05	2.77
	Provision for Doubtful Debt	-	17.37
	Bad Debt written off	27.11	6.79
	Foreign Exchange Fluctuations	155.06	-
	Travelling & Conveyance	294.32	286.99
	Donations	0.89	0.79
	Professional & Legal Fees	681.01	466.47
	Excise Duty	-	226.78
	Brick Lining Expenses	179.92	229.70
	Loss on Sale of Property plant and equipment	8.06	-
	Miscellaneous expenses	203.14	260.14
		4,535.71	4,453.98

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
25	**Tax expense**		
	Current tax	405.00	29.64
	Deferred tax		
	- Deferred tax Asset	(301.69)	(272.72)
		103.31	(243.08)
	Income tax recognised in other comprehensive income		
	Deferred tax related to items recognised in other comprehensive income during the year:		
	Remeasurement of defined benefit obligations	5.57	(6.69)
	Fair valuation of Equity Instruments	-	-
	Total income tax expense recognised in other comprehensive income	5.57	(6.69)
	Bifurcation of the income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	5.57	(6.69)
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	5.57	(6.69)
	Total income tax expense recognised in profit & loss account	**103.31**	**(243.08)**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	29.12%	34.608%
	Profit / (loss) before tax	806.96	(560.54)
	Income tax expense calculated at **29.12%** (including surcharge and education cess)	234.99	(193.99)
	Effect of income that is not chargeable to tax	5.04	(9.36)
	Effect of income chargeable at different rate of tax	-	(55.19)
	Impact of change in tax rate	(133.88)	5.36
	Effect of expenses that are deductible in determining taxable profit	(34.73)	-
	Effect of expenses that are non-deductible in determining taxable profit	31.91	10.10
	Total income tax expense recognised in profit & loss account	**103.31**	**(243.08)**

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
26	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Actuarial gain / (loss) on defined benefit obligation	(19.12)	19.32
	Items that will be reclassified to profit or loss		
	- Fair valuation of equity instruments at FVTOCI	(3,127.74)	3,173.72
	Total Other Comprehensive Income	**(3,146.86)**	**3,193.04**
27	**Earnings per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS (Rs in lakh)	703.65	(317.46)
	Add: Share based payment (net of tax) (Rs. in lakh)	32.79	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS (Rs. in Lakh)	736.43	(317.46)
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	3,152,084	3,152,084
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	3,175,491	3,152,084
	Earnings per share of Rs 10 each (in Rs.)		
	-Basic	22.32	(10.07)
	-Diluted*	22.32	(10.07)
	Face value per equity shares (in Rs.)	10.00	10.00

*As the Diluted Earning per share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share

28 Capital Commitments

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.79	-

29 Contingent Liabilities

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
i	Bank guarantees	453.83	255.01
ii	Claims against the company not acknowledged as debt and being contested before the appropriate authorities.		
-	Excise matters	193.09	101.87
-	Sale tax matters	84.42	125.15
-	Other matters	25.78	109.94
-	Provident Fund : The Honourable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.	Amount not determinable	-

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

31 The Company has, on 11th December 2018, acquired 100% stake by investing Rs. 1,489.37 lakh in Rheinsee 690 VV GmbH, a limited liability company incorporated under German laws which has been renamed as "Dalmia Refractories Germany GmbH" for expansion of operations internationally. In turn, Dalmia Refractories Germany GmbH, has taken over 100 % stake in GSB Group GmbH during the month of January, 2019.

Further, on 24th January 2019, the Company has made an investment of Rs. 1060.39 lakh towards acquiring a 35% stake in GSB Refractories India Private Limited, subsidiary of GSB Group GmbH making GSB Refractories India Private Limited, a wholly owned subsidiary of the Company.

32 Segment Information

(i) General Disclosure

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

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

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

(a) Revenues from external sales and services

(Rs. in lakh)

Particulars	2018-19	2017-18
India	17,969.10	16,337.99
Outside India	1,817.01	1,689.75
Total Revenue as per statement of profit and loss	**19,786.11**	**18,027.74**

(b) Segment Assets

All Assets are within India only.

(iii) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended March 31, 2019 and March 31, 2018.

33 Gratuity and Other Post Employment Benefit Plans

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

A. Statement of profit and loss

Net employee benefit expense

(Rs. in lakh)

Particulars	2018-19		2017-18	
	Gratuity (funded)	**Leave encashment**	**Gratuity (funded)**	**Leave encashment**
Current Service cost	29.40	7.53	25.83	12.21
Interest Cost	28.11	7.82	26.64	8.77
Expected return on plan asset	(28.11)	-	(20.19)	-
Total Expense	29.40	15.35	32.28	20.98

B. Balance Sheet

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

(Rs. in lakh)

Particulars	2018-19		2017-18	
	Gratuity (funded)	**Leave encashment**	**Gratuity (funded)**	**Leave encashment**
Present value of Obligation as at year-end	393.31	95.73	363.68	101.19
Fair value of plan assets	344.79	-	264.74	-
Net Asset/(Liability) recognized in the Balance Sheet*	(48.52)	(95.73)	(98.94)	(101.19)

* Payment made towards Gratuity for planned Asset Rs 35.51 lakh for FY 2018-19 & Rs 92.85 lakh for FY 2017-18.

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

(Rs. in lakh)

Particulars	2018-19		2017-18	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Opening defined benefit obligation	363.68	101.19	355.17	116.87
Interest cost	28.11	7.82	26.64	8.77
Current service cost	29.40	7.53	25.83	12.21
Benefit paid	(51.76)	(20.03)	(26.66)	(45.98)
Actuarial (gains)/losses on obligation	23.89	(0.78)	(17.30)	9.32
Closing defined benefit obligation	393.32	95.73	363.68	101.19

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

(Rs. in lakh)

Particulars	2018-19	2017-18
Opening fair value of plan assets	363.68	269.19
Expected return on Plan Assets	28.11	20.19
Contribution during the year	-	98.94
Amount Receivable from LIC	(12.71)	(15.32)
Actuarial gains / (losses) on plan asset	4.77	2.02
Benefit paid	(39.05)	(11.34)
Closing fair value of plan assets	344.80	363.68

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

(Rs. in lakh)

Particulars	2018-19	2017-18
Discount rate (%)	7.65%	7.73%
Expected salary increase (%)	7.50%	6.50%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

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

(v) Contribution to defined contribution plans:

(Rs. in lakh)

Particulars	2018-19	2017-18
Provident and other funds	101.93	101.58

(vi) Sensitivity analysis of the defined benefit obligation:

(Rs. in lakh)

Particulars	2018-19		2017-18	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Impact of the change in discount rate				
Impact due to increase of 0.50%	(12.60)	(4.49)	(11.11)	(3.74)
Impact due to decrease of 0.50%	13.50	4.72	11.86	4.07
Impact of the change in salary increase				
Impact due to increase of 0.50%	13.45	4.68	11.94	4.10
Impact due to decrease of 0.50%	(12.67)	(4.51)	(11.29)	(3.81)

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

(vii) Other comprehensive income (OCI):

(Rs. in lakh)

Particulars	2018-19	2017-18
	Gratuity	
Net cumulative unrecognized actuarial (gain)/loss opening		
Actuarial gain/(loss) for the year on PBO	(23.89)	17.30
Actuarial gain/(loss) for the year on plan asset	4.77	2.02
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(19.12)	19.32

34 Share Based Payments

The Company offers equity based awards through the Company's stock option plan introduced during the year.

Dalmia Refractories Limited Employee Stock Option Plan 2018

During the year, the Company introduced Dalmia Refractories Limited Employee Stock Option Plan 2018 (DRL ESOP), which was approved by the shareholders of the Company to provide equity settled incentive to eligible employees and directors (excluding independent director) of the Company.

The details of share options for the year ended 31st March 2019 is presented below:

Particulars	ESOP 2018
Options as at 1st April, 2018	-
Options granted during the year	1,65,000
Options forfeited during the year	-
Options exercised during the year	-
Options outstanding as at 31st March, 2019	1,65,000

The stock options under the DRL ESOP 2018 were granted on 31st October, 2018. The exercise price of the option is Rs 150 per share.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed on over the vesting period.

The fair values were calculated using the Black-Scholes European Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the DCF Method at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1.25 years - 4.25 years from the date of respective vesting.

The assumptions used in calculations of the charge in respect of stock options granted during the year ended 31st March, 2019 are set out below:

Particulars	ESOP 2018
Number of Options	1,65,000
Exercise Price	150
Share Price at the date of grant as per DCF Method calculated by the valuer	281
Vesting Period	1) 10% of the options on completion of 1 year from Grant Date
	2) 20% of the options on completion of 2 year from Grant Date
	3) 30% of the options on completion of 3 years from Grant Date
	4) 40% of the options on completion of 4 years from Grant Date
Annual Volatility	45.91 % - 49.34%
Expected option life	1.25 - 4.25 years
Expected dividends	0.18%
Risk free interest rate	7.59% - 7.75%
Fair value per option granted	1) 149.81 for vesting of shares on completion of 1 year from Grant Date
	2) 164.10 for vesting of shares on completion of 2 years from Grant Date
	3) 176.14 for vesting of shares on completion of 3 years from Grant Date
	4) 187.59 for vesting of shares on completion of 4 years from Grant Date

The Company recognised total expenses of Rs 46.26 Lakh to the above equity settled share based payment transactions for the year ended 31st March, 2019. Equity Settled employee stock options reserve outstanding with respect to the above scheme as at year end is Rs 46.26 Lakh.

35 Related Party Transactions

A. Relationships

(i) Subsidiaries of the Company (including step down subsidiaries):

Dalmia Seven Refractories Limited	
Dalmia Refractories Germany GMBH	(w.e.f 12th December 2018)
GSB Refractories India Private Limited	(w.e.f 1st January 2019)
GSB Group GMBH	(w.e.f 1st January 2019)

(ii) Key Managerial Person

Mr. Sameer Nagpal	Managing Director (w.e.f. 01-Jun-18)
Mr. C.N. Maheshwari	Chief Executive Officer
Mr. Manoj Kumar Rathi	Chief Financial Officer (since 31-Oct-18)
Mr. S.K. Srivastava	Chief Financial Officer (till 30-Sep-18)
Ms. Akansha Jain	Company Secretary

(iii) Shareholder(s) having substantial stake in the Company
Akhyar Estate Holdings Private Limited

(iv) Promoters of the Company
Mr J.H. Dalmia and Mr Y.H. Dalmia

(iv) Enterprises controlled by the Promoters of the Company with whom transactions have taken place:-
Dalmia Cement (Bharat) Limited, Adhunik Cement Limited, Dalmia Bharat Sugar & Industries Limited, OCL India Limited, Dalmia DSP Limited, Calcom Cement (India) Limited, Dalmia Cement East Limited, Alirox Abrasives Ltd., Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited), Shri Chamundeswari Minerals Limited, Dalmia Bharat Limited.

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

(Rs. in lakh)

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year	
			2018-19	**2017-18**
Promoter Controlled enterprise	Dalmia Cement (Bharat) Limited	Sale of Goods	**1798.33**	910.39
	Adhunik Cement Limited		**7.39**	186.49
	Dalmia Bharat Sugar & Industries Limited		**5.70**	16.02
	OCL India Limited		**268.47**	508.33
	Dalmia DSP Limited		**67.20**	-
	Calcom Cement (India) Limited		**117.31**	27.26
	Dalmia Cement East Limited		**13.69**	-
	Dalmia Cement (Bharat) Limited	Sale of Services	**6.00**	-
	Dalmia Cement (Bharat) Limited	Commission	**6.46**	-
	Dalmia Cement (Bharat) Limited	Purchase of goods & Services	**346.85**	448.23
	OCL India Limited		**315.44**	105.74
	Alirox Abrasives Ltd.		**30.00**	21.10
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)		**81.27**	46.83
	Dalmia Cement (Bharat) Limited	Reimbursement of expenses paid	**1.05**	1.66
	Shri Chamundeswari Minerals Limited		**1.82**	4.95
	Dalmia Bharat Limited		**129.08**	314.35
Subsidiaries	Dalmia Seven Refractories Limited	Investment	**-**	500.00
	GSB Refractories India Private Limited		**1,060.39**	-
	Dalmia Refractories Germany GmbH		**1,690.05**	-
	Dalmia Seven Refractories Limited	Reimbursement of expenses received	**19.55**	-
		Sale of Land	**-**	308.00
		Rent	**85.00**	-
		Sale of Goods & Services	**312.16**	-
		Purchase of goods & Services	**1,302.83**	-
	Dalmia Refractories Germany GmbH	Unwinding Interest	**43.30**	-
Key Management Personnel	Mr. C.N Maheshwari - CEO	Salary & Perquisites	**79.52**	77.48
	Mr. Manoj Kumar Rathi - CFO		**33.55**	-
	Mr. S.K Srivastava - CFO		**24.60**	33.90
	Ms. Akansha Jain - CS		**5.87**	4.15

C. Balances outstanding at year end:

(Rs. in lakh)

Nature of Relationship	Name of Related Party	Nature of Transaction	31-Mar-19	31-Mar-18
Promoter Controlled enterprise	OCL India Limited	Outstanding balance at year end **(Amount Receivable)**	**-**	133.13
	Adhunik Cement Limited		**-**	134.36
	Dalmia Cement (Bharat) Limited		**452.60**	68.90
	Dalmia DSP Limited		**12.06**	-
	Calcom Cement (India) Ltd		-	12.01
Subsidiary	Dalmia Seven Refractories Limited		**3.49**	-
	GSB Refractories India Private Limited	Investments	**1,060.39**	-
	Dalmia Refractories Germany GmbH		**1,690.05**	-
	Dalmia Seven Refractories Limited		**510.00**	510.00
Promoter Controlled enterprises	Dalmia Bharat Sugar Industries Limited		**1.24**	0.64
	Dalmia Bharat Limited		**6,916.13**	10,044.46
Subsidiary	Dalmia Refractories Germany GmbH	Corporate Guarantee	**189.69**	-
Promoter Controlled enterprises	Dalmia Bharat Limited	Outstanding balance at year end (Amount payable)	**23.72**	36.87
	Dalmia Cement (Bharat) Limited		**328.21**	-
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)		**4.32**	1.84
	Shri Chamundeswari Minerals Limited		**-**	0.57
	OCL India Limited		**-**	13.79
Subsidiaries	Dalmia Seven Refractories Limited		**59.55**	-

36 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Company for the Financial year 2018-19.

37 Dividend

The Board of Directors are pleased to recommend a dividend of 10% amounting to Re. 1 (Rs 0.5 previous year) per equity share of the face value of Rs 10 each. The dividend payout is subject to the approval of shareholders in the ensuing Annual General Meeting.

38 Events occurring After the Balance Sheet date

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

39 Details of Loans Given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013

There are no Loans given by the Company.
Investments made are given by the Company under respective head.

Corporate guarantee given by the Company in respect of loans as at 31st March, 2019:

(Rs. in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Dalmia Refractories Germany GMBH	8,791.29	-

The above guarantee is given for business purpose.

40 Financial Risk Management Objectives And Policies

Financial Risk Factors

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

A. Credit Risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 41. 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.

(Rs. in lakh)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Upto 6 months	**More than 6 months**	**Upto 6 months**	**More than 6 months**
Gross carrying amount (A)	3,017.07	205.91	2,190.33	394.97
Expected Credit Losses (B)	-	(179.92)	-	(243.61)
Net Carrying Amount (A-B)	**3,017.07**	**25.99**	**2,190.33**	**151.36**

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, 2019, March 31, 2018 is the carrying amounts as illustrated in note 41.

B. Liquidity Risk :

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

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

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total current assets	9,313.45	8,158.39
Total current liabilities	8,600.32	5,913.20
Current ratio	**1.08**	**1.38**

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

(Rs. in lakh)

Particulars	Payable on demand	Less than 1 year	More than year1	Total
As at 31 March 2018				
Borrowings	-	2,518.07	-	2,518.07
Other financial Liabilities	14.42	-	-	14.42
Trade and other payables	-	2,704.10	-	2,704.10
Total	14.42	5,222.17	-	5,236.59
As at 31 March 2019				
Borrowings	-	2,014.00	-	2,014.00
Other financial Liabilities	45.18	74.41	-	119.59
Trade and other payables	-	3,635.15	-	3,635.15
Total	45.18	5,723.56	-	5,768.74

C. **Market Risk :**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

i. **Interest Rate Risk :**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings obligations in the form of cash credit and buyer's credit carrying floating interest rates.

(Rs. in lakh)

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2019	-	2,014.00	**2,014.00**
As at March 31, 2018	-	2,518.07	**2,518.07**

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

(Rs. in lakh)

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest rate increase by 0.25%	(5.67)	(5.93)
Interest rate decrease by 0.25%	5.67	5.93

ii. **Foreign Currency Risk :**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts.

The details of foreign currency exposure is as follows:

Particulars	FY 2018-19		FY 2017-18	
Unhedged Foreign Currency	**In FC**	**In Rs. lakh**	**In FC**	**In Rs. lakh**
Trade Payables - Purchase of Raw Material	USD 177,145	122.53	USD 747,250	486.11
	EURO 30,240	23.50	EURO 1,155	0.93
Buyers credit	-	-	USD 2,767,516	1800.11
	-	-	EURO 344,280	277.57
Trade Receivable - Export	USD 40,668	28.13	USD 79,000	51.38
	EURO 40,828	31.72	EURO 152,422	122.89
Advances received from customers - Export	USD 11,259	7.79	-	-
	EURO 32,143	24.98	-	-
Hedged Foreign Currency				
Trade Payables - Purchase of Raw Material	USD 569,000	400.34	USD 460,649	299.62

Rate Sensitivity

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

(Rs. in lakh)

Particulars	Increase / Decrease in basis points	Impact on Profit & Loss Account	
		For the year ended 31 March 2019	For the year ended 31 March 2018
USD Sensitivity	+ 50 basis points	(0.07)	(1.72)
	- 50 basis points	0.07	1.72
Euro Sensitivity	+ 50 basis points	(0.01)	(0.10)
	- 50 basis points	0.01	0.10

* Holding all other variable constant

41 Financial Instrument - Disclosure

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

Financial Assets

(Rs. in lakh)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds and others	A	Level-1	0.30	0.30	0.30	0.30
2	**Financial assets designated at fair value through other comprehensive income**						
	Non-Current						
	- Investment In Equity shares	B	Level-1	6,917.37	6,917.37	10,045.10	10,045.10
3	**Financial assets designated at amortised cost**	D					
	Non-Current						
	a) Loans			81.68	81.68	88.18	88.18
	Current						
	a) Trade receivables*			3,043.05	3,043.05	2341.69	2341.69
	b) Cash & Cash Equivalents*			451.14	451.14	105.77	105.77
	c) Other Bank Balances*			168.91	168.91	20.34	20.34
	d) Loans*			347.68	347.68	147.86	147.86
	e) Other financial assets*			6.83	6.83	2.35	2.35
4	**Investment in subsidiary company**	C		3,260.44	3,260.44	510.00	510.00
				14,277.40	**14,277.40**	**13,261.59**	**13,261.59**

Financial Liabilities

(Rs. in lakh)

S. No.	Particulars		Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	D					
	Non-Current						
	- Other financial liability			226.18	226.18	-	-
	Current						
	- Borrowings			2,014.00	2,014.00	2,518.07	2,518.07
	- Trade payables*			3,635.15	3,635.15	2,704.10	2,704.10
	- Other financial liability*			119.59	119.59	14.42	14.42
				5,994.92	**5,994.92**	**5,236.59**	**5,236.59**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A Company has opted to fair value its mutual fund investment through profit & loss.
B Company has opted to fair value its quoted investments in equity share through OCI.
C Company has opted to value its investments in subsidiaries at cost.
D Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

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

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

42 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.

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt^	2,014.00	2,518.07
Cash & bank balances	620.05	126.11
Net Debt	1,393.95	2,391.96
Total Equity	19,010.97	21,421.35
Net debt to equity ratio (Gearing Ratio	0.07	0.11

^ Debt is defined as long-term and short-term borrowings

43 Previous year figures have been regrouped, reclassified and rearranged, wherever considered necessary.

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ***Dalmia Refractories Limited*** *(hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").*

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the matter
(i) Inventories	
As of 31st March, 2019, inventories appear on the financial statements for an amount of Rs. 7477.19 lakhs, which constitutes 39.81% of the total current assets. As indicated in Note no. 7 to the financial statements, inventories are valued at the lower of cost and net realizable value. The Group may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased. We focused on this matter because of the: • Significance of the inventory balance. • Complexity involved in determining inventory quantities in hand due to the number, location and diversity of inventory storage locations. • Valuation procedure including of obsolete inventories.	Our audit procedures included the following: • Review of the Group's process and procedures for physical verification of inventories at year end except material in transit • Assessing the methods used to value inventories and ensuring ourselves of the consistency of accounting methods. • Testing by sampling the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories. • Review of the reported acquisition cost on a sample basis. • Analysis of the Group's assessment of net realizable value, as well as review of assumptions and calculations for stock obsolescence. • Assessment of appropriateness of disclosures provided in the financial statements. • Performed inquiry procedures as per SA 600 " Using the work of another auditor" on the above matter.
(ii) Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting).	
Revenue is recognized net of discounts & rebates earned by the customers on the Group's sales. The estimation of discounts & rebates is recognized based on sales made during the year. Revenue is recognized when control of the underlying products have been transferred along with satisfaction of performance obligation. The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations and determination of transaction price of the identified performance obligations. Further customer's incentive, rebate/discounts represent a material reduction in sales and process for calculating and recording the above involves significant manual process. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue. Accordingly, it has been determined as a key audit matter.	We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following : • Assessing the environment of the IT systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue, including the implemented controls of system changes. • Examining customer invoices and receipts of payment on a test basis. • We performed procedures to identify any significant transactions recorded as manual adjustments and obtained evidence to support the recognition and timing of incentive and rebate/discount amounts based on the individual agreements. • Performed inquiry procedures as per SA 600 " Using the work of another auditor" on the above matter. With regard to the expected impact of the initial application of Ind AS 115 from the financial year 2018 onwards, our audit approach included, among other items: • Assessing the Group's process to identify the impact of adoption of the new revenue accounting standards. • Evaluating the design of internal controls and its operating effectiveness relating to implementation of the new revenue accounting standard. • Verifying the completeness of disclosure in the financial statements as per Ind AS 115.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are *required to report that fact. We have nothing to report in this regard.*

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional skepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances*
- *Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*
- *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.*

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the *planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 20856.04 Lakh as at 31st March, 2019, total revenues of Rs. 5082.17 Lakh and net cash flows amounting to Rs. 2180.38 Lakh for the year ended on that date, as considered in the consolidated financial statements. These 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act;
In our opinion and to the best of our information and according to the explanations given to us, (the managerial remuneration has been paid/provided by the Holding Company to its directors in accordance with provisions of Section 197 read with Schedule V to the Act.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer note 32 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2019 and in case of subsidiaries incorporated in India there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2019.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859

Place: *New Delhi*
Dated: *24th May 2019*

"ANNEXURE A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Dalmia Refractories Limited ("hereinafter referred to as the Holding Company") and its subsidiaries incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company, its subsidiaries, which are companies, incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary companies, which are companies incorporated in India, 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 internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consider-

ation of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report 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 subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859

Place: *New Delhi*
Dated: *24th May 2019*

Dalmia Refractories Limited
Consolidated Balance Sheet as at March 31, 2019

(Rs. in lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	13,313.52	11,319.52
(b) Capital work - in - progress	4	1,709.91	38.53
(c) Goodwill		2,659.83	-
(d) Other intangible assets	4	4,790.04	-
(e) Financial assets			
(i) Investments	5.1	6,917.37	10,045.10
(ii) Loans	5.2	94.46	88.18
(f) Other Non-Current assets	6	0.68	-
Total non-current assets		29,485.81	21,491.33
Current assets			
(a) Inventories	7	7,477.19	5,177.81
(b) Financial assets			
(i) Investments	8.1	0.30	474.30
(ii) Trade receivables	8.2	6,129.94	2,390.06
(iii) Cash and cash equivalents	8.3	3,086.58	116.93
(iv) Bank balances other than (iii) above	8.4	173.91	20.34
(v) Loans	8.5	225.01	171.44
(vi) Other financial assets	8.6	7.15	2.35
(c) Current tax assets (net)	9	27.36	134.84
(d) Other current assets	10	1,653.42	248.10
Total current assets		18,780.86	8,736.17
Total assets		**48,266.67**	**30,227.50**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share-capital	11.1	315.21	315.21
(b) Other equity	11.2	18,636.44	20,823.19
(c) Equity Attributable to owners of Dalmia Refractories Limited		18,951.65	21,138.40
(d) Non Controlling Interests		282.01	451.83
Total equity		19,233.66	21,590.23

Dalmia Refractories Limited

Consolidated Balance Sheet as at March 31, 2019

(Rs. in lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	12.1	9,648.07	-
(ii) Other Financial Liabilities	12.2	479.45	-
(b) Provisions	13	341.69	387.60
(c) Deferred tax liabilities (net)	14	1,881.26	2,271.89
Total non-current liabilities		12,350.47	2,659.49
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	4,155.73	2,518.07
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15.2	481.45	-
(b) Total outstanding dues of other than Micro and Small Enterprises	15.2	5,886.04	2,765.83
(iii) Other financial liabilities	15.3	1,899.63	14.42
(b) Current tax liability (net)	16	235.66	-
(c) Other current liabilities	17	3,906.75	646.55
(d) Provisions	18	117.28	32.91
Total current liabilities		16,682.54	5,977.78
Total Equity & Liabilities		**48,266.67**	**30,227.50**

See accompanying notes to the financial statements

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

Consolidated Profit & Loss Statement for the year ended March 31, 2019

(Rs. in lakh)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	19	24,142.04	18,076.10
II	Other income	20	460.31	250.46
III	**Total income (I + II)**		**24,602.35**	**18,326.56**
IV	Expenses			
	Cost of materials consumed	21	13,484.59	10,666.61
	Purchases of stock in trade		409.80	336.91
	Changes in inventories of finished goods and work-in-progress	22	(497.31)	(72.46)
	Employee benefits expense	23	3,571.85	2,764.24
	Finance costs	24	314.00	91.23
	Depreciation and amortization expense	25	1,077.76	904.79
	Other expenses	26	5,654.15	4,546.71
	Total expenses		**24,014.84**	**19,238.03**
V	Profit / (loss) for the year before tax (III-IV)		587.51	(911.47)
VI	Tax expense	27		
	(1) Current tax		614.80	29.64
	(2) Deferred tax		(422.01)	(303.38)
			192.80	**(273.74)**
VII	Net Profit/(Loss) for the year after tax (V - VI)		394.71	(637.73)
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/(losses) on defined benefit plans		(18.68)	19.32
	Income tax relating to items that will not be reclassified to profit or loss	27	5.44	(6.69)
	Re-measurement gains/(losses) on investment		(3,127.74)	3,173.72
	Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statements of foreign operations		103.80	-
			(3,037.18)	3,186.35
IX	Total comprehensive income for the year (VII + VIII)		**(2,642.47)**	**2,548.62**
X	**Net Profit / (Loss) Attributable to**			
	(a) Owners of the Company		564.51	(599.97)
	(b) Non Controlling Interest		(169.80)	(37.76)

Dalmia Refractories Limited

Consolidated Profit & Loss Statement for the year ended March 31, 2019

(Rs. in lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
XI **Other Comprehensive Income Attributable to**			
(a) Owners of the Company		(3,037.18)	3,186.35
(b) Non Controlling Interest		-	-
XII **Total Comprehensive Income Attributable to**			
(a) Owners of the Company		(2,472.67)	2,586.38
(b) Non Controlling Interest		(169.80)	(37.76)
XIII **Earnings per equity share**	29		
Nominal value of equity shares (Rs 10.00 each)			
(1) Basic		17.91	(19.03)
(2) Diluted		17.91	(19.03)

See accompanying notes to the financial statements

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

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Dalmia Refractories Limited

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	587.51	(911.47)
Adjustments:		
Depreciation & Amortization Expense	1,077.76	904.79
Provision no longer required written back	(235.89)	(59.81)
Provision for doubtful debts written back	(12.77)	17.37
Bad Debts written off	27.11	6.79
Loans & Advances written off	12.90	-
Dividend Income	(11.88)	(7.72)
Finance Cost	314.00	91.13
Interest Income	(36.90)	(20.19)
(Profit)/ Loss on sale of Current Investments	(31.13)	(73.60)
(Profit)/ Loss on disposal of Property, Plant & Equipment	8.06	-
Operating Profit before working capital changes	**1,698.77**	**(52.71)**
Adjustments for working capital changes :		
Inventories	(2,299.38)	(1,503.64)
Trade and Other Payables	7,719.40	511.12
Trade and Other Receivables	(5,232.98)	(740.43)
Cash Generated from / (used in) Operations	**1,885.81**	**(1,785.66)**
Net Direct Taxes Paid/(Refund)	240.27	(23.73)
Net Cash from / (used in) Operating activities	**1,645.54**	**(1,761.93)**
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP	(4,794.21)	(153.97)
Sale proceeds of Property, Plant & Equipment	43.02	-
On Account of Acquisition of Subsidiaries	(5299.08)	-
Sale of Current Investments (net)	505.13	1,120.09
Margin Money/Fixed Deposits with banks	(153.57)	-
Interest Received	32.10	21.31
Dividend Received	11.88	7.72
Net Cash from / (used in) Investing Activities	**(9,654.73)**	**995.15**
C Cash Flow from Financing Activities		
Issue of Share Capital	-	490.00
Proceeds of Short term Borrowings	1,661.56	289.13
Proceeds of Long term Borrowings	9,648.07	-
Finance Cost	(309.69)	(61.73)
Dividends Paid (including dividend distribution tax)	(21.10)	(42.14)
Net cash from financing activities	**10,978.84**	**675.26**
Net increase / decrease in cash and cash equivalents (A+B+C)	**2,969.65**	**(91.52)**
Cash and cash equivalents (Opening Balance)	116.93	208.45
Cash and cash equivalents (Closing Balance)	3,086.58	116.93
Change in Cash & Cash Equivalents	**2,969.65**	**(91.52)**

Dalmia Refractories Limited

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rs. in lakh)

Components of Cash & Cash Equivalents	As At March 31, 2019	As At March 31, 2018
Balances with banks		
- in Current Accounts	2,650.75	116.22
- Deposits with original maturity of less than 3 months	432.74	-
Cash on hand	2.96	0.07
Cheques in hand	-	0.52
Silver Coin	0.13	0.12
Net Cash & Cash Equivalents	**3,086.58**	**116.93**

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Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

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Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

Consolidated Statement of changes in Equity for the year ended March 31, 2019

(a) Equity Share Capital

(Rs. in lakh)

Balance of Equity Share Capital	As at 31 March 2017	Changes during the year	As at 31 March 2018	Changes during the year	As at 31 March 2019
	315.21	-	315.21	-	315.21

(b) Other equity

(Rs. in lakh)

Particulars	Reserves and Surplus					Items of other comprehensive income		Total
	Securities Premium	General Reserve	Share Options outstanding account	Foreign Currency Translation Reserve	Retained earnings	Equity instruments through other comprehensive income	Actuarial Gain & Losses on DBO	
As at 31 March 2017	**588.02**	**804.82**	**-**	**-**	**10,519.09**	**6,376.76**	**(14.33)**	**18,274.36**
Movement during FY 17-18								
Loss of the year	-	-	-	-	(599.97)	-	-	(599.97)
Minority Interest of Previous Year	-	-	-	-	0.40	-	-	0.40
Other comprehensive income	-	-	-	-	-	3,173.72	12.63	3,186.35
Dividend and CDT Payment	-	-	-	-	(37.95)	-	-	(37.95)
As at 31 March 2018	**588.02**	**804.82**	**-**	**-**	**9,881.57**	**9,550.48**	**(1.70)**	**20,823.19**
Movement during FY 18-19								
Profit of the year	-	-	-	-	564.51	-	-	564.51
Other comprehensive income	-	-	-	-	-	(3,127.74)	(13.24)	(3,140.98)
Dividend and CDT Payment	-	-	-	-	(19.00)	-	-	(19.00)
Foreign Currency Translation Reserve	-	-	-	362.46	-	-	-	362.46
Employees Stock Options Expense	-	-	46.26	-	-	-	-	46.26
As at 31 March 2019	**588.02**	**804.82**	**46.26**	**362.46**	**10,427.08**	**6,422.74**	**(14.94)**	**18,636.44**

Nature and Purpose of Reserves

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

b General Reserve is free reserve created by the Group by transfer from retained earnings.

c Share options outstanding account - Amount attributable towards share options granted to an employee of the Group has been credited to the reserve.

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

e Foreign Currency Translation Reserve - Exchange differences arising on translating of the foreign operations as described in accounting policy are accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment in foreign subsidiaries are disposed off.

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

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Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

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Chief Executive Officer

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Chief Financial Officer

Akansha Jain
Company Secretary

Note 1: Corporate Information

The consolidated financial statements comprise financial statements of Dalmia Refractories Limited ("the parent company") and its subsidiaries namely, Dalmia Seven Refractories Limited, Dalmia Refractories Germany GmbH, GSB Refractories India Private Limited and GSB Group GmbH (collectively, "the Group") for the year ended 31st March, 2019.

The Group is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables, pre-cast shapes like lances, snorkels, other refractory products and supplier to Core Industries namely Cement, steel and others. It is having manufacturing units at Dalmiapuram (Tamil Nadu), Khambalia (Gujarat), Katni (Madhya Pradesh), Bhilai (Chattisgarh) and Bochum (Germany) and its corporate office is situated at New Delhi. The Securities of the Parent Company are listed at Calcutta Stock Exchange Ltd. and Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.)

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

These consolidated financial statements of the Group for the year ended 31st March 2019 were approved and adopted by the board of directors of the Parent Company in their meeting held 24th May 2019.

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

2.1 Basis of preparation, measurement and significant accounting policies

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

Compliance with Ind AS

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

Consolidation procedure:

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

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

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

d) Consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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

f) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

g) Consolidated statement of profit and loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

h) For the acquisition of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Historical cost convention

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

Functional and presentation currency

The consolidated financial statements are presented in 'Indian Rupees', which is also the Parent Company functional currency. Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates are presented in Indian Rupees which is also the Parent Company functional currency. All amounts are rounded to the nearest lakh, unless otherwise stated. The functional currency for all the entities in the Group is Indian Rupees except following subsidiaries:-

a) GSB Group GmbH - Euro

b) Dalmia Refractories Germany GmbH - Euro

In case of all foreign companies, translation of financial statements to the presentation currency is done for assets and liabilities using the exchange rate in effect at the balance sheet date, and for revenue, expenses and cash flow items using the average exchange rate for the reported period. Profit/(loss) resulting from such transactions are included in foreign currency translation reserve under other component of equity.

Current vis-à-vis non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Group uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- ***Level 1*** *- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- ***Level 2*** *- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.*
- ***Level 3*** *- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.*

2.2 Critical accounting estimates and judgements

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

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

a. Property, plant and equipment and intangible assets

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

b. Recognition and measurement of defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Fair value measurement of financial instruments

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

d. Provisions

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

e. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when *annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.*

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

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

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

2.3 Recent accounting pronouncements - Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

A) ISSUE OF IND AS 116 - LEASES
Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

B) AMENDMENT TO EXISTING STANDARDS
The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Note 3: Significant Accounting policies

3.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values, except certain assets and liabilities required to be measured as per the applicable standard. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.2 Share Based Payments

Equity-settled share based payments to employees and directors providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Notes to accounts.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Parent 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 Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.3 Property, plant and equipment

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.

Certain items of PPE has been considered as countinous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

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

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

3.4 Intangible assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. *for assets acquired in a business combination i.e. Customer Contract, Customer Relationship, Technology at fair value on the date of acquisition*
b. *for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.*

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line *method unless it is practical to reliably determine the pattern of benefits arising from the asset. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. Customer Contract, Customer Relationship and Technology are ammortised over 6 months, 10 years and 10 years respectively by the straight line method. An intangible asset with an indefinite useful life is not amortized.*

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Transition to Ind AS:

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

3.5 Impairment of Non-financial assets

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

3.6 Trade Receivables

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

3.7 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

3.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

3.9 Borrowing Cost

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

3.10 Segment Reporting

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

3.11 Employee Benefits

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

a. Short-term employee benefits

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

b. Defined contribution plan

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

c. Defined benefit plan

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

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.12 Inventories

a. Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

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

c. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.13 Revenue recognition and other income:

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective April 1, 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for *determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Group is insignificant.*

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The performance obligations in our contracts in respect of exports are fulfilled at the time of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Sale of Goods

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

Sale of Services

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

Other Operating Income

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

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

Interest Income:

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

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

3.14 Foreign Currency Transactions

- ***Initial recognition***

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

- ***Conversion***

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

- ***Exchange differences***

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.15 Taxes

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

Current income-tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and *establishes provisions where appropriate.*

Minimum alternate tax

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

Deferred tax

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

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

3.16 Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is disclosed in the notes in case of:

- *There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.*
- *A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.*
- *A present obligation arises from the past event, when no reliable estimate is possible.*
- *A present obligation arises from the past event, unless the probability of outflow are remote.*

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

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

3.17 Cash & Cash Equivalents

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

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

Cash flow statement

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

3.18 Financial Instruments

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

(a) Investment and other Financial Assets

(i) Classification

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

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

• those measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt instruments

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

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

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

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

Equity investments

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

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

(iii) Impairment of financial assets:

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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

(v) Contributed equity

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

(b) Financial Liabilities & Equity

(i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) Subsequent measurement:

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

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

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

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

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

(iv) Derecognition:

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

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

Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.19 Dividend Distribution

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

3.20 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

Dalmia Refractories Limited
Notes to the Consolidated financial statements as on March 31, 2019

Non-Current Assets:

4 Property, Plant and Equipment (Rs. in lakh)

Particulars	Tangible Assets								Intangible Assets				
	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Total Tangible Assets	Computer software	Customer Contract	Customer Relationship	Technology	Total Intangible Assets
Gross Carrying Amount													
Balance as at 31 March 2017	5,962.11	348.93	2,913.67	3,844.14	48.76	14.13	6.75	13,138.49	7.92	-	-	-	7.92
Additions	-	6.79	-	91.72	16.15	0.80	-	115.46	-	-	-	-	-
Disposals/Adjustment	-	26.95	-	-	-	-	-	26.95	-	-	-	-	-
Balance as at 31 March 2018	5,962.11	328.77	2,913.67	3,935.86	64.91	14.93	6.75	13,227.00	7.92	-	-	-	7.92
Additions	-	21.10	186.45	231.13	21.51	3.41	-	463.60	1.98	-	-	-	1.98
Additions on acquisition of subsidiary companies	579.43	32.60	1,159.86	555.22	75.32	2.39	13.95	2,418.77	2.32	239.34	3,909.24	877.59	5,028.49
Disposals/Adjustment	-	-	11.39	71.96	0.14	0.61	-	84.10	-	-	-	-	-
Balance as at 31 March 2019	**6,541.54**	**382.47**	**4,248.59**	**4,650.25**	**161.60**	**20.12**	**20.70**	**16,025.27**	**12.22**	**239.34**	**3,909.24**	**877.59**	**5,038.39**
Accumulated Depreciation													
Balance as at 31 March 2017	-	26.62	232.54	716.46	23.78	2.57	1.27	1,003.24	7.36	-	-	-	7.36
Depreciation for the year	-	24.46	187.46	667.45	20.81	2.78	1.27	904.23	0.56	-	-	-	0.56
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	51.08	420.00	1,383.91	44.59	5.35	2.54	1,907.47	7.92	-	-	-	7.92
Depreciation for the year	-	35.05	170.81	608.81	18.38	2.45	1.80	837.30	0.54	120.22	97.73	21.94	240.43
Accumulated depreciation on disposals	-	-	1.14	31.32	0.14	0.42	-	33.02	-	-	-	-	-
Balance as at 31 March 2019	-	86.13	589.67	1,961.40	62.83	7.38	4.34	2,711.75	8.46	120.22	97.73	21.94	248.35
Net Carrying Amount													
As at 31 March 2018	5,962.11	277.69	2,493.67	2,551.95	20.32	9.58	4.21	11,319.52	-	-	-	-	-
As at 31 March 2019	6,541.54	296.34	3,658.92	2,688.85	98.77	12.74	16.36	13,313.52	3.76	119.12	3,811.51	855.65	4,790.04
Capital work-in- progress													
Balance as at 31 March 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	38.53	-	-	-	-	-
Assets capitalised during the year	-	-	-	-		-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	-	-	-	-	-	-	38.53	-	-	-	-	-
Additions (Refer Note 1 below)	-	-	-	-	-	-	-	1,988.33	-	-	-	-	-
Assets capitalised during the year	-	-	-	-		-	-	316.95	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	1,709.91	-	-	-	-	-

Note 1: Addition to Capital work-in-progress amounting to Rs. 1,950.02 including Rs. 20.24 lakh of the finance cost capitalised during the year. (Previous year Nil).

Note 2: Assets under construction

Capital work in progress as at March 31, 2019 comprises expenditure of Rs. 1,671.60 lakh for the new line at Katni for manufacturing of monolithic/ castables consisting of plant & machinery, civil construction, preoperative expenses pending allocation etc. **(Refer note number 32)**

Note 3: Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2019 was Rs. 20.24 lakh (March 31, 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.27%, which is the effective interest rate of the specific borrowing.

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Non- Current Assets: Financial Assets**		
	5.1 Investments		
	Quoted Investments		
	Quoted fully paid up Equity Shares of Others (At FVTOCI)		
	1,000 (Previous year March 31, 2018 1000) shares of Dalmia Bharat Sugar Industries Limited of Rs 2.00 each	1.24	0.64
	698,952 (Previous year March 31, 2018 349,476) shares of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) of Rs 2.00 each	6,916.13	10,044.46
		6,917.37	**10,045.10**
	Aggregate amount of Non-Current Investments		
	Particulars		
	Aggregate amount of quoted investments	6,917.37	10,045.10
	Market value of quoted investments	6,917.37	10,045.10
	5.2 Loans		
	Advances to Employees		
	- Unsecured & Good	-	10.59
	Security Deposit		
	- Unsecured & Good	94.46	77.59
		94.46	**88.18**
6	**Other non-current assets**		
	Prepaid expenses	0.68	-
		0.68	**-**
	Current Assets:		
7	**Inventories**		
	Raw materials	3,609.31	2,435.10
	Work - in - progress	450.40	234.91
	Finished goods	2,611.56	1,916.82
	Stores and spares	541.29	389.34
	Loose tools	3.94	2.92
	Goods in transit:		
	Raw materials	257.78	197.96
	Stores and spares	2.91	0.76
		7,477.19	**5,177.81**

(Rs. in lakh)

Note No.		Particulars	As at March 31, 2019	As at March 31, 2018
8		**Current financial assets**		
	8.1	**Current Investments**		
		Mutual Funds (At FVTPL)		
		HDFC Floating Rate Fund (Units : 3084.371, March 31, 2018 : 2947)	0.30	0.30
		Birla Sunlife Cash Savings fund Growth Direct (Units Nil; March 31, 2018: 137,822)	-	474.00
			0.30	**474.30**
		Aggregate Book value of quoted investments	**0.30**	**474.30**
		Fair value of quoted investments	**0.30**	**474.30**
	8.2	**Trade Receivables**		
		- Trade Receivables considered good - Secured	-	-
		- Trade Receivables considered good - Unsecured	6,129.94	2,390.06
		- Trade Receivables which have significant increase in Credit Risk	-	-
		- Trade Receivables - credit impaired	179.92	243.61
			6,309.86	2,633.67
		Less:- Provision for expected credit loss	(179.92)	(243.61)
			6,129.94	**2,390.06**
	8.3	**Cash & Cash Equivalents**		
		Balances with banks		
		- in Current Accounts	2,650.75	116.22
		Cash in Hand	2.96	0.07
		Cheques in hand	-	0.52
		Silver Coins/ Stamps	0.13	0.12
		Deposits with maturity of less than three months	432.74	-
			3,086.58	**116.93**
	8.4	**Bank Balances**		
		Fixed Deposits (of maturity exceeding three months but upto one year)	160.00	-
		Margin Money	1.58	5.91
		Margin money with bank (including accrued interest)		
		- Earmarked for unpaid dividend	10.07	12.17
		- Earmarked for Debenture and Interest	2.26	2.26
			173.91	**20.34**

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During FY 2018-19, Rs. 2.88 lakh (PY 2018 Rs. 5.82 lakh) on account of unclaimed dividend was credited to the Investor Education and Protection Fund.

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	8.5 Loans		
	Amount recoverable from employees		
	- Unsecured, considered good	19.46	13.78
	Amount recoverable from others		
	- Unsecured, considered good	205.55	157.66
		225.01	**171.44**
	8.6 Others Financial Assets		
	Unsecured, considered good		
	- Interest receivable	7.15	2.35
		7.15	**2.35**
9	**Current Tax Assets (net)**		
	Advance income tax (net of provision for tax)	27.36	134.84
		27.36	**134.84**
10	**Other Current Assets**		
	Prepaid expenses	51.79	11.36
	Balance with statutory authorities	1,080.13	236.74
	Subsidy receivable	23.00	-
	Other Receivables	138.75	-
	Unbilled Revenue	359.75	-
		1,653.42	**248.10**
11	**Equity:**		
	11.1 Share Capital		
	Authorised		
	5,000,000 Equity Shares of Rs 10 each	500.00	500.00
	Issued, Subscribed & fully paid up		
	3,152,084 Equity shares of Rs 10 each	315.21	315.21

Reconciliation of number and amount of equity shares outstanding:

	No. of shares	Amount
As at 31 March 2017	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2018	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2019	**31,52,084**	**315.21**

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
11.2	**Other Equity**		
a.	**Securities Premium Account**		
	Opening and Closing Balance	588.02	588.02
b.	**General Reserve**		
	Opening and Closing Balance	804.82	804.82
c.	**Share options outstanding account**		
	Opening Balance	-	-
	Employee share-based payment expense	46.26	-
	Closing Balance	46.26	-
d.	**Foreign currency Translation Reserve**		
	Opening balance	-	-
	Currency translation adjustments	362.46	-
	Closing Balance	362.46	-
e.	**Retained Earnings**		
	Opening balance	9,881.57	10,519.09
	(+) Net Profit/(Net Loss) For the current year	564.51	(599.57)
	Payment of Dividend and CDT Payment	(19.00)	(37.95)
	Closing Balance	10,427.08	9,881.57
f.	**Comprehensive Income**		
	Opening Balance	9,548.78	6,362.43
	Addition During the year	(3,127.74)	3,173.72
	Total Income recognised on Equity instruments	6,421.04	9,536.15
	Pre-acquisition Actuarial Gain & Losses	15.46	-
	Actuarial Gain & Losses on DBO	(13.24)	12.63
	Closing Balance	6,423.26	9,548.78
	Grand Total	**18,636.44**	**20,823.19**
	Non - current liabilities:		
12	**Financial Liabilities**		
12.1	**Borrowings**		
	Secured at amortised cost		
	Loans from banks		
	- term loans	9,648.07	-
		9,648.07	-

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018

a. Loans of Rs 8547.26 lakh as shown in long term borrowings and current maturities of long term debts are secured by equitable mortgage of Factory Land and Building at Dalmiapuram, Rajgangpur, Khambalia and Katni Units of the Group. In addition to that, secured by first charge over moveable fixed assets and hypothecation of Stocks and other current assets as collateral extension.

Processing fees paid amounting to Rs 341.92 lakh has been netted off from the loan amount. The interest rate for the said Term Loans is 2.93% and effective interest rate is 3.75%. The term loan has to be repaid in quarterly instalments. It is secured by Land, Building and movable fixed assets of GSB, and 100% of the shares of DRLs investment in GSB.

b. Loans of Rs 1,700.00 lakh is secured by equitable mortgage of factory land & building at Katni and plant & machinery. It is further secured by first charge over movable and immovable fixed assets of Dalmia Seven Refractories Limited. It is repayable in quarterly instalment ranging from Rs 21.25 lakh to Rs. 127.50 lakh starting from October 09, 2020 after a monotorium period of two years. It carried interest rate of one year MCLR plus spread of 70 bps p.a. to be reset annually. The interest rate for the current year varied from 9.10% to 9.85%.

c. Loans of Rs. 66.38 lakh is secured by equitable mortgage of Factory Land and Building at Joratarai, Rajnandgaon of GSB Refractories India Private Limited. In addition to that, secured by first charge over moveable fixed assets and hypothecation of stocks and other current assets of GSB India Refractories India Private Limited as collateral extension. The interest rate for the said Term Loan varies from 11.85% to 12.00%.

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
12.2	**Other Financial Liabilities**		
	Payable towards purchase consideration of Investment	479.45	-
		479.45	**-**
13	**Provisions**		
	Provision for employee benefits		
	- Gratuity	40.52	1.24
	- Leave Encashment	42.61	74.37
	Provision against asset retiring obligation	258.56	311.99
		341.69	**387.60**
14	**Deferred Tax Liability**		
	Deferred tax liability		
	On account of Property, Plant & Equipment	2,089.91	2,459.23
	Income not allowed for tax purpose	29.48	-
		2,119.39	2,459.23
	Deferred tax assets		
	On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis	154.41	35.01
	On account of unabsorbed depreciation & business losses	31.33	69.10
	On account of provision for doubtful debts	52.39	83.23
		238.13	187.34
	Net deferred tax liability	**1,881.26**	**2,271.89**

(Rs. in lakh)

Movement in deferred tax items **FY 18-19**	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liability / (asset) on account of: Difference in Book value of Tangible and Intangible assets	2,441.17	(351.26)		2,089.91
Difference in Book value of Inventory	18.06	(18.06)		-
Expenses allowed on payment basis	(35.01)	(113.96)	(5.44)	(154.41)
Provision created for bad & Doubtful debts	(83.23)	30.84		(52.39)
Income not allowed for tax purpose	-	29.48		29.48
Recognition of DTA on business losses and accumulated depreciation	(69.10)	37.77		(31.33)
Net Deferred tax liability / (asset)	2,271.89	(385.19)	(5.44)	1,881.26

FY 17-18	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liability / (asset) on account of: Difference in Book value of Tangible and Intangible assets	2,678.43	(237.26)		2,441.17
Difference in Book value of Inventory	9.98	8.08		18.06
Expenses allowed on payment basis	(40.48)	(1.22)	6.69	(35.01)
Provision created for bad & Doubtful debts	(79.35)	(3.88)		(83.23)
Recognition of DTA on business losses and accumulated depreciation	-	(69.10)		(69.10)
Net Deferred tax liability / (asset)	2,568.58	(303.38)	6.69	2,271.89

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Current liabilities:		
15	**Financial Liabilities**		
	15.1 Borrowings		
	Secured - at amortised cost		
	Loans repayable on demand		
	- from banks Cash Credit	2,273.17	140.77
	- from banks for factoring of Trade receivables	1,143.37	-
	- from banks Bill Discounting	306.37	-
	- from banks Buyers credit	-	2,377.30
	Loan from Bank	307.70	-
	Unsecured		
	- from Directors of Subsidiary Company	125.12	-
		4,155.73	**2,518.07**

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018

a. The borrowings amounting to Rs. 1707.63 lakh of Parent Company are secured by first pari passu charge on the entire current assets of the Parent company, both present and future, exclusive charge over fixed assets of the Parent company's units situated at Khambalia, District Jamnagar, Gujarat including EM over factory land and building at Khambalia (59186 Sq mt), exclusive charge over all the other movable fixed assets of the Parent company (excluding vehicles financed by other banks/FIs), both present and future.

b. The borrowings amounting to Rs. 368.71 lakh of Dalmia Seven Refractories Limited are secured by hypothecation of stocks of raw material, semi finished goods, finished goods, stores and spares, book debts and moveable assets of Dalmia Seven Refractories Limited.

c. The borrowings amounting to Rs. 196.83 lakh of GSB Refractories India Private Limited are secured by hypothecation of stocks,book debts and factory land and building situated at Joratarai Rajnandgaon in the name of GSB Refractories India Private Limited.

d. The Cash Credit facility and Bill Discounting of the Parent Company have a tenure of One year from the date of sanction and is repayable on demand/due dates and carries interest and which varies from 9.25% to 11.60%.

e. The Cash Credit facility of GSB Refractories India Private Limited is repayable on demand and carries interest and which varies from 10.60% to 11.85%.

f. The Cash Credit facility of Dalmia Seven Refractories Limited is repayable on demand and carries interest and which varies from 9.25% to 10.10%.

g. GSB Group GmbH has taken the factoring facility against trade receivables. These factoring are in the nature of recourse and company is liable to pay in case of default from Trade receivables. It carries interest rate of 2.47%.

h. The borrowing amounting to Rs 125.12 Lakhs is interest free loan taken by GSB Refractories India Private Limited from its Director.

15.2	**Trade Payables**		
a)	Total outstanding dues of Micro Enterprises and Small Enterprises	481.45	-
b)	Total outstanding dues of other than Micro Enterprises and Small Enterprises	5,886.04	2,765.83
	Total	**6,367.49**	**2,765.83**

Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the group is as under:

Particulars		
Principal amount due and remaining unpaid	492.19	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	492.19	-

15.3	**Other financial liabilities**		
	Unpaid matured debentures and interest	2.25	2.25
	Current maturities of long term debt	23.90	-
	Unpaid Dividend	10.07	12.17
	Book Overdraft	32.85	-
	Payable towards purchase consideration of Investment	1,671.34	-
	Other payables	159.22	-
		1,899.63	**14.42**

Dalmia Refractories Limited

Notes to the Consolidated financial statements as on March 31, 2019

(Rs. in lakh)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
16	**Current Tax Liability (net)**		
	Provision for Tax (Net of Advance Income Tax)	235.66	-
		235.66	-
17	**Other current liabilities**		
	Advances from Customers	2,615.65	429.78
	Statutory Liabilities	592.54	132.24
	Employee's benefits payable	53.49	-
	Liability for capital assets	460.49	-
	Other Payables	184.58	84.53
		3,906.75	**646.55**
18	**Provisions**		
	Other Provisions	57.36	-
	Provision for employee benefits		
	- Leave Encashment	57.18	26.82
	- Gratuity	2.74	6.09
		117.28	**32.91**

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
19	**Revenue from operations**		
	A. Sale of products*		
	Refractories	21,281.21	17,098.46
	Calcined Bauxite	306.60	197.56
	Traded goods	1,893.14	424.61
		23,480.95	17,720.63
	B. **Sale of Services**	520.24	284.36
		520.24	284.36
		24,001.19	18,004.99
	C. Other Operating Revenue		
	Scrap Sales	140.85	71.11
		140.85	71.11
		24,142.04	18,076.10

*Inclusive of Excise duty in PY 2017-18.

Disaggregated revenue information is disclosed above.

Dalmia Refractories Limited

Notes to the Consolidated financial statements as on March 31, 2019

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
20	**Other income**		
	Interest income from bank/others	36.90	20.19
	Lease rental income	0.58	-
	Dividend income	11.88	7.72
	Provision/liabilities no longer required written back	235.89	59.81
	Provision for Doubtful Debt written back	12.77	-
	Net profit/loss on sale of current investments	31.13	73.60
	Foreign Exchange Fluctuation	-	16.88
	Other non operating income	131.16	72.26
		460.31	250.46
21	**Cost of Materials consumed**		
	Raw Material Consumed	13,484.59	10,666.61
		13,484.59	10,666.61
22	**Changes in inventories of finished goods and work - in - progress**		
	Inventories at the beginning of the year		
	Work-in-Progress	234.91	217.16
	Finished Goods	1,916.82	1,862.11
		2,151.73	2,079.27
	On Acquisition of Subsidiary Companies		
	Work-in-Progress	159.65	-
	Finished Goods	253.27	-
		412.92	-
	Less - Inventories at the end of the year		
	Work-in-Progress	450.40	234.91
	Finished Goods	2,611.56	1,916.82
		3,061.96	2,151.73
	Changes in inventories of finished goods and work - in - progress	**(497.31)**	(72.46)
23	**Employee benefits expense**		
	Salaries, wages, Allowances & Commission	3,140.84	2,431.91
	Contribution to Provident & Other funds	162.80	101.58
	Employee share-based payment expense	46.26	-
	Gratuity & Pension	93.53	126.51
	Staff welfare expenses	128.42	104.24
		3,571.85	2,764.24

Dalmia Refractories Limited

Notes to the Consolidated financial statements as on March 31, 2019

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
24	**Finance costs**		
	Interest on Term Loans	106.16	-
	Interest on Cash Credits	115.98	18.87
	Unwinding Discount on Asset Retirement Obligation	4.31	29.41
	Interest - Others	87.55	42.95
		314.00	91.23
25	**Depreciation and amortization expense**		
	Depreciation of tangible assets	837.30	904.23
	Amortization of intangible assets	240.46	0.56
		1,077.76	904.79
26	**Other expenses**		
	Consumption of stores & spare parts	210.95	202.59
	Power and fuel	1,494.57	1,379.33
	Packing, freight & transport	779.23	600.71
	Commission	274.30	247.24
	Rent	39.94	20.89
	Repairs to buildings	32.35	25.10
	Repairs to machinery	421.87	405.99
	Repairs others	42.96	46.00
	Insurance	59.13	13.60
	Rates and taxes	65.68	22.79
	Payment to the auditors		
	- as auditor	24.67	9.04
	- for other services	15.25	10.62
	- for reimbursement of expenses	4.92	5.84
	Advertisement & publicity	56.02	3.05
	Bad Debt written off	27.11	6.79
	Foreign Exchange Fluctuations	159.59	-
	Provision for Doubtful Debt	-	17.37
	Travelling & Conveyance	442.95	304.28
	Donations	0.89	0.79
	Professional & Legal Fees	785.25	466.47
	Excise Duty	-	226.77
	Brick Lining Expenses	420.21	288.85
	Loss on Sale of Property plant and equipment	8.06	-
	Balances Written off	12.90	-
	Miscellaneous expenses	275.35	242.60
		5,654.15	4,546.71

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
27	**Tax expense**		
	Current tax	614.80	29.64
	Deferred tax		
	- Deferred tax Asset	(422.01)	(303.38)
		192.80	(273.74)
	Income tax recognised in other comprehensive income		
	Deferred tax related to items recognised in other comprehensive income during the year:		
	Remeasurement of defined benefit obligations	5.44	(6.69)
	Fair valuation of Equity Instruments	-	-
	Total income tax expense recognised in other comprehensive income	5.44	(6.69)
	Bifurcation of the income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	5.44	(6.69)
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	5.44	(6.69)
	Total income tax expense recognised in profit & loss account	**192.80**	**(273.74)**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	29.12%	34.608%
	Profit / (loss) before tax	587.51	(911.47)
	Income tax expense calculated at **29.12%** (including surcharge and education cess)	171.08	(315.44)
	Effect of income that is not chargeable to tax	5.04	(9.36)
	Effect of income chargeable at different rate of tax	-	29.64
	Impact of change in tax rate	(133.58)	5.36
	Effect of expenses that are deductible in determining taxable profit	(30.16)	-
	Effect of expenses that are non-deductible in determining taxable profit	38.81	10.10
	Other Difference due to Temporary differences in Tax Base	141.61	5.96
	Total income tax expense recognised in profit & loss account	**192.80**	(273.74)

(Rs. in lakh)

Note No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
28	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Actuarial gain / (loss) on defined benefit obligation	(18.68)	19.32
	- Fair valuation of equity instruments at FVTOCI	(3,127.74)	3,173.72
	Items that will be reclassified to profit or loss		
	Exchange differences in translating the financial statements of foreign operations	362.46	-
	Total Other Comprehensive Income	**(2,783.96)**	**3,193.04**
29	**Earnings per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS (Rs in lakh)	564.51	(599.97)
	Add: Share based payment (net of tax) (Rs. in lakh)	32.79	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS (Rs. in Lakh)	597.30	(599.97)
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	3,152,084	3,152,084
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	3,175,491	3,152,084
	Earnings per share of Rs 10 each (in Rs.)		
	-Basic	17.91	(19.03)
	-Diluted*	17.91	(19.03)
	Face value per equity shares (in Rs.)	10.00	10.00

*As the Diluted Earning per share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share

30 Capital Commitments

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	54.07	-

31 Contingent Liabilities

(Rs. in lakh)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
i	Bank Guarantees	453.83	255.01
ii	Claims against the Group not acknowledged as debt and being contested before the appropriate authorities		
-	Excise matters	193.09	101.87
-	Sale tax matters	84.42	125.15
-	Other matters	25.78	109.94
-	Provident Fund : The Honourable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.	Amount not determinable	-

32 During the year, the Group has incurred expenditure related to acquisition/ construction of property plant equipment and therefore accounted for the same as pre-operative expenses under capital work in progress. Details of such expenses capitalised and carried forward as part of capital work in progress are given below.

(Rs. in lakh)

	2018-19	2017-18
Opening Balance	**1.69**	-
Expenditure incurred during the year		
Purchase of Materials	1,892.98	1.69
Interest and financial charges	20.24	-
Civil Work	31.54	-
Computer software	1.98	-
Store & spares	1.99	-
Others expenses	1.29	-
Total expense for the year	**1,951.71**	**1.69**
Less: capitalised during the year	280.11	-
Carried forward as a part of Capital Work in Progress	**1,671.60**	**1.69**

33 Segment Information

(i) General Disclosure

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

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

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

(a) Revenues from external sales and services

(Rs. in lakh)

Particulars	2018-19	2017-18
India	19,116.60	16,350.62
Outside India	5,025.44	1,370.01
Total	**24,142.04**	**17,720.63**

(b) Segment Assets

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
India	39,521.16	30,227.50
Outside India	8,745.51	-
Total	**48,266.67**	**30,227.50**

(iii) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Group for the year ended March 31, 2019 and March 31, 2018.

34 Gratuity and Other Post Employment Benefit Plans

Gratuity

The Parent 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 in Parent Company 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 Parent 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.

A. Statement of profit and loss

Net employee benefit expense

(Rs. in lakh)

Particulars	2018-19			2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Leave encashment
Current Service cost	29.40	5.79	10.73	25.83	12.21
Interest Cost	28.11	1.71	8.68	26.64	8.77
Expected return on plan asset	(28.11)	-	-	(20.19)	-
Total Expense	**29.40**	**7.50**	**19.41**	**32.28**	**20.98**

B. Balance Sheet

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

(Rs. in lakh)

Particulars	2018-19			2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Leave encashment
Present value of Obligation as at year-end	393.31	30.26	99.79	363.68	101.19
Fair value of plan assets	344.79	-	-	264.74	-
Net Liability recognized in the Balance Sheet*	(48.52)	(30.26)	(99.79)	(98.94)	(101.19)

* Payment made towards Gratuity for planned Asset Rs 35.51 lakh for FY 2018-19 & Rs 92.85 lakh for FY 2017-18.

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

(Rs. in lakh)

Particulars	2018-19			2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Leave encashment
Opening defined benefit obligation	363.68	-	101.19	355.17	116.87
Interest cost	28.11	1.71	8.68	26.64	8.77
Current service cost	29.40	5.79	10.73	25.83	12.21
Benefit paid	(51.76)	-	(20.03)	(26.66)	(45.98)
Actuarial (gains)/losses on obligation	23.89	(0.44)	(0.78)	(17.30)	9.32
Closing defined benefit obligation	393.32	7.06	99.79	363.68	101.19

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

(Rs. in lakh)

Particulars	2018-19	2017-18
Opening fair value of plan assets	363.68	269.19
Expected return on Plan Assets	28.11	20.19
Contribution during the year	-	98.94
Amount Receivable from LIC	(12.71)	(15.32)
Actuarial gains / (losses) on plan asset	4.77	2.02
Benefit paid	(39.05)	(11.34)
Closing fair value of plan assets	344.80	363.68

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

(Rs. in lakh)

Particulars	2018-19	2017-18
Discount rate (%)	7.65%	7.73%
Expected salary increase (%)	7.50%	6.50%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

(Rs. in lakh)

Particulars	2018-19	2017-18
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

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

(v) Contribution to defined contribution plans:

(Rs. in lakh)

Particulars	2018-19	2017-18
Provident and other funds	162.80	101.58

(vi) Sensitivity analysis of the defined benefit obligation:

(Rs. in lakh)

Particulars	2018-19			2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Leave encashment
Impact of the change in discount rate					
Present value of obligation at the end of the period					
Impact due to increase of 0.50%	(12.60)	(1.61)	(7.45)	(11.11)	(3.74)
Impact due to decrease of 0.50%	13.50	1.75	8.57	11.86	4.07
Impact of the change in salary increase					
Present value of obligation at the end of the period					
Impact due to increase of 0.50%	13.45	1.32	8.51	11.94	4.10
Impact due to decrease of 0.50%	(12.67)	(1.21)	(7.48)	(11.29)	(3.81)

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

(vii) Other comprehensive income (OCI):

(Rs. in lakh)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Net cumulative unrecognized actuarial (gain)/loss opening		
Actuarial gain/(loss) for the year on PBO	(23.45)	17.30
Actuarial gain/(loss) for the year on plan asset	4.77	2.02
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(18.68)	19.32

(viii) The above information is only in respect of holding and subsidiary Company incorporated in India.

35 Share Based Payments

The Company offers equity based awards through the Company's stock option plan introduced during the year.

Dalmia Refractories Limited Employee Stock Option Plan 2018

During the year, the Company introduced Dalmia Refractories Limited Employee Stock Option Plan 2018 (DRL ESOP), which was approved by the shareholders of the Company to provide equity settled incentive to eligible employees and directors (excluding independent director) of the Company.

The details of share options for the year ended 31st March 2019 is presented below:

Particulars	ESOP 2018
Options as at 1st April, 2018	-
Options granted during the year	1,65,000
Options forfeited during the year	-
Options exercised during the year	-
Options outstanding as at 31st March, 2019	1,65,000

The stock options under the DRL ESOP 2018 were granted on 31st October, 2018. The exercise price of the option is Rs 150 per share. The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed on over the vesting period.

The fair values were calculated using the Black-Scholes European Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the DCF Method at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1.25 years - 4.25 years from the date of respective vesting.

The assumptions used in calculations of the charge in respect of the ESOS granted during the year ended 31st March, 2019 are set out below:

Particulars	ESOP 2018
Number of Options	1,65,000
Exercise Price	150
Share Price at the date of grant as per DCF Method calculated by the valuer	281
Vesting Period	1) 10% of the options on completion of 1 year from Grant Date
	2) 20% of the options on completion of 2 year from Grant Date
	3) 30% of the options on completion of 3 years from Grant Date
	4) 40% of the options on completion of 4 years from Grant Date
Annual Volatility	45.91 % - 49.34%
Expected option life	1.25 - 4.25 years
Expected dividends	0.18%
Risk free interest rate	7.59% - 7.75%
Fair value per option granted	1) 149.81 for vesting of shares on completion of 1 year from Grant Date
	2) 164.10 for vesting of shares on completion of 2 years from Grant Date
	3) 176.14 for vesting of shares on completion of 3 years from Grant Date
	4) 187.59 for vesting of shares on completion of 4 years from Grant Date

The Company recognised total expenses of Rs 46.26 Lakh to the above equity settled share based payment transactions for the year ended 31st March, 2019. Equity Settled employee stock options reserve outstanding with respect to the above scheme as at year end is Rs 46.26 Lakh.

36 Related Party Transactions

A. Relationships

(i) Key Managerial Person

Mr. Sameer Nagpal	Managing Director (w.e.f. 01-Jun-18)
Mr. C.N. Maheshwari	Chief Executive Officer
Mr. Manoj Kumar Rathi	Chief Financial Officer (since 31-Oct-18)
Mr. S.K. Srivastava	Chief Financial Officer (till 30-Sep-18)
Ms. Akansha Jain	Company Secretary

(ii) Shareholder(s) having substantial stake in the Parent Company
Akhyar Estate Holdings Private Limited

(iii) Promoters of the Parent Company
Mr J.H. Dalmia and Mr Y.H. Dalmia

(iv) Enterprises controlled by the Promoters of the Parent Company with whom transactions have taken place:-
Dalmia Cement (Bharat) Limited, Adhunik Cement Limited, Dalmia Bharat Sugar & Industries Limited, OCL India Limited, Dalmia DSP Limited, Calcom Cement (India) Limited, Dalmia Cement East Limited, Alirox Abrasives Ltd., Govan Travels ((Prop. Dalmia Bharat Sugar & Industries Limited), Shri Chamundeswari Minerals Limited, Dalmia Bharat Limited

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

(Rs. in lakh)

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year	
			2018-19	**2017-18**
Promoter Controlled enterprise	Dalmia Cement (Bharat) Limited	Sale of Goods	**1,891.41**	910.39
	Adhunik Cement Limited		**7.39**	186.49
	Dalmia Bharat Sugar & Industries Limited		**5.70**	16.02
	OCL India Limited		**268.47**	508.33
	Dalmia DSP Limited		**67.20**	-
	Calcom Cement (India) Limited		**117.31**	27.26
	Dalmia Cement East Limited		**13.69**	-
	Dalmia Cement (Bharat) Limited	Sale of Services	**6.00**	-
	Dalmia Cement (Bharat) Limited	Commission	**6.46**	-
	Dalmia Cement (Bharat) Limited	Purchase of goods & Services	**375.85**	448.23
	OCL India Limited		**318.66**	105.74
	Alirox Abrasives Ltd.		**30.00**	21.10
	Govan Travels ((Prop. Dalmia Bharat Sugar & Industries Limited)		**131.71**	46.83
	Dalmia Cement (Bharat) Limited	Reimbursement of expenses paid	**1.05**	1.66
	Shri Chamundeswari Minerals Limited		**1.82**	4.95
	Dalmia Bharat Limited		**129.08**	314.35
Key Management Personnel of Parent Company	Mr. C.N Maheshwari - CEO	Salary & Perquisites	**79.52**	77.48
	Mr. Manoj Kumar Rathi - CFO		**33.55**	-
	Mr. S.K Srivastava - CFO		**24.60**	33.90
	Ms. Akansha Jain - CS		**5.87**	4.15

C. **Balances outstanding at year end:**

(Rs. in lakh)

Nature of Relationship	Name of Related Party	Nature of Transaction	31-Mar-19	31-Mar-18
Promoter Controlled enterprise	OCL India Limited	Outstanding balance at year end **(Amount Receivable)**	-	133.13
	Adhunik Cement Limited		-	134.36
	Dalmia Cement (Bharat) Limited		**452.60**	68.90
	Dalmia DSP Limited		**12.06**	-
	Calcom Cement (India) Ltd		-	12.01
	Dalmia Bharat Limited	Outstanding balance at year end **(Amount payable)**	**23.72**	36.87
	Dalmia Cement (Bharat) Limited		**335.10**	-
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)		**5.43**	1.84
	Shri Chamundeswari Minerals Limited		-	0.57
	OCL India Limited		-	13.79

37 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Group for the Financial year 2018-19.

38 Dividend

The Board of Directors of Parent Company recommended a dividend of 10% amounting to Re. 1 (Rs 0.5 previous year) per equity share of the face value of Rs. 10 each. The dividend payout is subject to the approval of shareholders in the ensuing Annual General Meeting.

39 Events occurring After the Balance Sheet date

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

40 The subsidiaries considered in the consolidated financial statements are :-

Sl. No.	Name of Company	Principal place of business	Proportion (%) of shareholding	
			31-Mar-19	31-Mar-18
1	Dalmia Seven Refractories Limited	India	51%	51%
2	Dalmia Refractories Germany GMBH (w.e.f 12th December, 2018)	Germany	100%	-
3	GSB Group GmbH (w.e.f 1st January 2019)	Germany	100%	-
4	GSB Refractories India Private Limited (w.e.f 1st January 2019)	India	35%	-

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

41 Financial information of subsidiary that have material non-controlling interests is provided below:-

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation	% equity interest	
		As at March 31, 2019	As at March 31, 2018
Dalmia Seven Refractories Limited	India	49%	49%

Summarised financial information:-

Summarised financial information for subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

Rs. in lakh

Summarised Balance Sheet	**Dalmia Seven Refractories Limited**	
	As at March 31, 2019	**As at March 31, 2018**
Current assets	1,185.17	577.80
Current liabilities	1,377.41	64.57
Net current assets / (liabilities)	(192.24)	513.23
Non-current assets	2,316.03	410.12
Non-current liabilities	1,548.22	1.24
Net non-current assets	767.81	408.88
Net assets	575.57	922.11
Accumulated NCI	282.01	451.83

(Rs. in lakh)

Summarised Statement of Profit and Loss Account	**For the year ended As at March 31, 2019**	**For the year ended As at March 31, 2018**
Revenue from operations	1,869.09	48.37
Loss for the year	(346.53)	(77.07)
Other comprehensive income	-	-
Total comprehensive income	(346.53)	(77.07)
Loss allocated to NCI	(169.80)	(37.76)
Dividends paid to NCI	Nil	Nil

(Rs. in lakh)

Summarised Statement of cash flow	**For the year ended As at March 31, 2019**	**For the year ended As at March 31, 2018**
Cash flow used in operating activities	(506.98)	(134.93)
Cash flow used in investing activities	(1,473.95)	(844.28)
Cash flow from financing activities	2,006.91	990.00
Net increase in cash and cash equivalents	25.98	10.79

42 **Additional Information, as required under Schedule III to the Act, of enterprises consolidated as Subsidiary:**

Name of the entity in the Group	Net Assets, i.e, total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in lakh)	As % of consolidated profit or loss	Amount (Rs. in lakh)	As % of consolidated other comprehensive income	Amount (Rs. in lakh)	As % total comprehensive income	Amount (Rs. in lakh)
Parent								
Dalmia Refractories Limited	99%	19,010.97	178%	703.65	114%	(3,141.29)	102%	(2,437.64)
Subsidiaries								
Indian								
1. Dalmia Seven Refractories Limited	3%	575.57	-88%	(346.54)	0%	-	14%	(346.54)
2. GSB Refractories India Private Limited	4%	747.49	16%	62.23	-1%	15.77	-3%	78.00
Foreign								
1. Dalmia Refractories Germany GMBH	8%	1,555.32	-21%	(84.86)	-7%	181.40	-4%	96.54
2. GSB Group GMBH	10%	1,916.45	79%	311.12	-8%	212.79	-22%	523.91
Consolidation adjustments/ Eliminations	-24%	(4,572.14)	-64%	(250.89)	2%	(47.19)	13%	(298.08)
Total	**100%**	**19,233.66**	**100%**	**394.71**	**100%**	**(2,778.52)**	**100%**	**(2,383.81)**

43 **Business Combination**
Summary of acquisitions during the year ended 31st March, 2019

On 11th December 2018, Dalmia Refractories Limited (the Company) acquired 100% of voting rights in Rheinsee 690 VV GmbH, a limited liability company incorporated under German laws which has been renamed as "Dalmia Refractories Germany GmbH" for expansion of operations internationally. This entity was not having any operations but was bought to acquire another entities in refractory domain.

In the month of January 2019, Dalmia Refractories Germany GmbH acquired 100% of voting shares of GSB Group GmbH, an unlisted company based in Germany and engaged in manufacturing of all types of pre-cast shapes likes lances, snorkels and other refractory products. GSB Germany GmbH owns 65% shares of GSB Refractories India Private Limited, an unlisted company based in India which also became step-down subsidiary of Dalmia Refractories Limited on the date of acquiring shares of GSB Group GmbH.

Further, on the same date, Dalmia Refractories Limited acquired 35% of voting shares of GSB Refractories India Private Limited, an unlisted company based in India having similar business operations as GSB Germany GmbH.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of the companies acquired as at the date of acquisition were:

(Rs. in lakh)

Particulars	Fair value recognised on acquisition		
	Dalmia Refractories Germany GmbH	GSB Group GmbH	GSB Refractories India Private Limited
Assets			
Property, plant and equipment	-	303.45	415.25
Inventories	-	1,208.31	615.53
Receivables and other assets	2.87	705.95	732.02

(Rs. in lakh)

Particulars	Fair value recognised on acquisition		
	Dalmia Refractories Germany GmbH	GSB Group GmbH	GSB Refractories India Private Limited
Cash and cash equivalents	19.95	421.82	243.23
Deferred Tax Assets	-	-	2.68
	22.82	**2,639.53**	**2,008.71**
Liabilities			
Borrowings	-	0.06	242.52
Trade Payables	-	1,407.03	668.86
Provisions	-	-	65.54
Other liabilities	-	273.30	241.96
	-	**1,680.39**	**1,218.88**
Net Identifiable assets at fair value	**22.82**	**959.14**	**789.83**

Calculation of Goodwill

Particulars	Amount
Consideration transferred	9,457.79
Less:- Net Identifiable assets acquired	1,771.79
Less:- Intangible Assets on acquisition	
Customer Contracts	239.34
Customer Relationship	3,909.24
Technology	877.59
Goodwill	**2,659.83**

Revenue and Profit Contribution:-

Dalmia Refractories Germany GmbH has not contributed any revenue and loss of Rs. 84.86 lakh for the period from 12th December, 2018 to 31st March 2019.

GSB Group GmbH has contributed revenue of Rs. 3,173.75 lakh and profit of Rs. 311.12 lakh for the period from 1st January, 2019 to 31st March 2019.

GSB Refractories India Private Limited has contributed revenue of Rs. 695.52 lakh and profit of Rs. 62.23 lakh for the period from 1st January 2019 to 31st March 2019.

44 Financial Risk Management Objectives And Policies

Financial Risk Factors
The Group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks and devise appropriate risk management framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

A. Credit Risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

To manage this, Group periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Group for extension of credit to customer Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 44. 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.

(Rs. in lakh)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	6,103.95	205.91	2,238.70	394.97
Expected Credit Losses (B)	-	(179.92)	-	(243.61)
Net Carrying Amount (A-B)	**6,103.95**	**25.99**	**2,238.70**	**151.36**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note 45.

B. Liquidity Risk :

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

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

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total current assets	18,780.86	8,736.17
Total current liabilities	16,682.54	5,977.78
Current ratio	**1.13**	**1.46**

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

(Rs. in lakh)

Particulars	Payable on demand	Less than 1 year	More than year1	Total
As at 31 March 2018				
Borrowings	140.77	2,377.30	-	2,518.07
Other financial Liabilities	14.42	-	-	14.42
Trade and other payables	-	2,765.83	-	2,765.83
Total	**155.19**	**5,143.13**	-	**5,298.32**

(Rs. in lakh)

Particulars	Payable on demand	Less than 1 year	More than year1	Total
As at 31 March 2019				
Borrowings	2,273.17	1,882.56	9,648.07	13,803.80
Other financial Liabilities	69.07	1,830.56	479.45	2,379.07
Trade and other payables	-	6,367.50	-	6,367.50
Total	**2,342.24**	**10,080.62**	**10,127.52**	**22,550.37**

C. Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Group is exposed to following key market risks:

i. Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term borrowings obligations in the form of term loans, cash credit and buyer's credit carrying floating interest rates.

(Rs. in lakh)

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2019	-	13,827.70	**13,827.70**
As at March 31, 2018	-	2,518.07	**2,518.07**

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

(Rs. in lakh)

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest rate increase by 0.25%	(20.43)	(5.93)
Interest rate decrease by 0.25%	20.43	5.93

ii. Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts.

The details of foreign currency exposure is as follows:

Particulars	FY 2018-19		FY 2017-18	
Unhedged Foreign Currency	**In FC**	**In Rs. lakh**	**In FC**	**In Rs. lakh**
Trade and Other Payables	USD 639,923	442.64	USD 747,250	486.11
	EURO 655,144	509.11	EURO 61,155	49.30
Buyers credit	-	-	USD 2,767,516	1800.11
	-	-	EURO 344,280	277.57

Particulars	FY 2018-19		FY 2017-18	
Unhedged Foreign Currency	**In FC**	**In Rs. lakh**	**In FC**	**In Rs. lakh**
Trade Receivables	USD 40,668	28.13	USD 79,000	51.38
	EURO 52,828	41.05	EURO 152,422	122.89
Advances received from customers	USD 11,259	7.79	-	-
	EURO 32,143	24.98	-	-
Hedged Foreign Currency				
Buyers credit (USD)	USD 569,000	400.34	USD 460,649	299.62

Rate Sensitivity

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

(Rs. in lakh)

Particulars	Increase / Decrease in basis points	Impact on Profit & Loss Account	
		For the year ended 31 March 2019	For the year ended 31 March 2018
USD Sensitivity	+ 50 basis points	(0.35)	(1.72)
	- 50 basis points	0.35	1.72
Euro Sensitivity	+ 50 basis points	(0.37)	(0.13)
	- 50 basis points	0.37	0.13

* Holding all other variable constant

45 **Financial Instrument - Disclosure**

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

Financial Assets

Rs. in lakh

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds and others	A	Level-1	0.30	0.30	474.30	474.30
2	**Financial assets designated at fair value through other comprehensive income**						
	Non-Current						
	- Investment In Equity shares	B	Level-1	6,917.37	6,917.37	10,045.10	10,045.10
3	**Financial assets designated at amortised cost**	C					
	Non-Current						
	a) Loans			94.46	94.46	88.18	88.18
	Current						
	a) Trade receivables*			6,129.94	6,129.94	2,390.06	2,390.06
	b) Cash & Cash Equivalents*			3,086.58	3,086.58	116.93	116.93
	c) Other Bank Balances*			173.91	173.91	20.34	20.34
	d) Loans*			225.01	225.01	171.44	171.44
	e) Other financial assets*			7.15	7.15	2.35	2.35
				16,634.72	**16,634.72**	**13,308.70**	**13,308.70**

Financial Liabilities

Rs. in lakh

S. No.	Particulars		Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	C					
	Non-Current						
	- Borrowings			9,648.07	9,648.07	-	-
	- Other financial liability			479.45	479.45	-	-
	Current						
	- Borrowings			4,155.73	4,155.73	2,518.07	2,518.07
	- Trade payables*			6,367.49	6,367.49	2,765.83	2,765.83
	- Other financial liability*			1,899.63	1,899.63	14.42	14.42
				22,550.37	**22,550.37**	**5,298.32**	**5,298.32**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A Group has opted to fair value its mutual fund investment through profit & loss.
B Group has opted to fair value its quoted investments in equity share through OCI.
C Group has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition, processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

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

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

46 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.

Rs. in lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (i)	13,827.70	2,518.07
Cash & bank balances	3,260.49	137.27
Net Debt	10,567.21	2,380.80
Total Equity	19,233.66	21,590.23
Net debt to equity ratio (Gearing Ratio)	0.55	0.11

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

47 Previous year figures have been regrouped, reclassified and rearranged wherever considered necessary. Further, pursuant to acquisition of subsidiaries figures are strictly not comparable with those of previous year.

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

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Deepak Thombre
Chairman
DIN: 02421599

Vijay Napawaliya
Partner
Membership No.: 109859

Place : New Delhi
Date : 24th May 2019

C N Maheshwari
Chief Executive Officer

Manoj Kumar Rathi
Chief Financial Officer

Akansha Jain
Company Secretary

Dalmia
Refractories

Dalmia Refractories Limited

(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

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