Dalmia Bharat Limited

ANNUAL REPORT 2012-13 ● DALMIA BHARAT LIMITED

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Forward-looking Statements

In this annual report we have disclosed forward-looking information to offer investors a perspective on our planned growth trajectory, intrinsic value creation and broader prospects. This should help take informed investment decisions. The forward-looking statements contained in this report set out anticipated results based on the management's plans and informed assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar nature in context of any discussion on future performance. While we have exercised the greatest caution and responsibility, have satisfied ourselves on due diligence, we cannot guarantee that these forward-looking statements will be realized in part or in full measure.

Dalmia Bharat Limited

Sustained Value Creation

As a leading Indian cement player with a rich and distinguished heritage, we have always strived to create value for our stakeholders. This focus has gathered momentum in the recent past. The focal point of our growth strategy stems from our belief in the inherent potential and promise of India as well as our intrinsic capabilities as a business. Consistency of performance and delivery of robust results in a challenging year while following best business practices are proof points of our ability to deliver sustained growth.

Growth

Efficiency

Scale

Inclusion

Dalmia Bharat Limited

Optimising Opportunities

Growth rests on the Fulcrum of Vision and Excellence in Execution

There is huge scope of infrastructure development in India without which economic development is not sustainable. The fact that cement has no substitute makes it a vital ingredient in the country's growth narrative. At 196 kg, the per capita consumption of cement in India is less than half the global average of 450 kg. This low per capita consumption coupled with intensified impetus on infrastructure development and an ever growing demand for housing, offers expanding room for growth to the sector. Core cement players would be in a position of advantage to capitalise on the emerging market opportunities.

Dalmiapuram, Tamil Nadu

An important facet of our growth strategy is sustained expansion of our installed capacity as well as an incremental market footprint. While we have traditionally grown through the organic route, the year in review saw inorganic growth as well. We continue with our agenda to consistently and strategically expand our business play with the objective of emerging as a leading pan India player.

> We are well positioned to capitalise on emerging opportunities. We can do this on the basis of our business dynamism and ability to address the changing needs of our customers

Operational Efficiencies

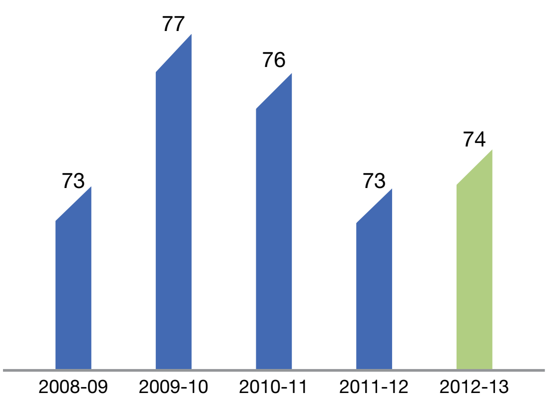
Efficiencies of Scale and Operation are the most Critical Measurement Metrics of any Business Operation

Against the backdrop of substantial cost pressures witnessed by the industry, we reported a 14% growth in operating profit at ₹672 crore for the year in review. Judicious planning, enhanced operational effectiveness and efficiency improvement initiatives allowed us to perform better than the industry average despite the unfavorable operating environment.

Your Company received awards including **'Best Energy Efficient Unit Award'** and **'Excellence in Water Management Award'** by the Confederation of Indian Industry (CII), as a recognition of our commitment to resource optimisation and operational efficiency.

Quality Control Chemical Lab, Meghalaya Plant

Power Consumption (Kwh/T)



"Recognitions underline our efficiencies and efforts to raise existing thresholds of operations across the value chain"

Dalmia
Bharat Limited

Project Execution

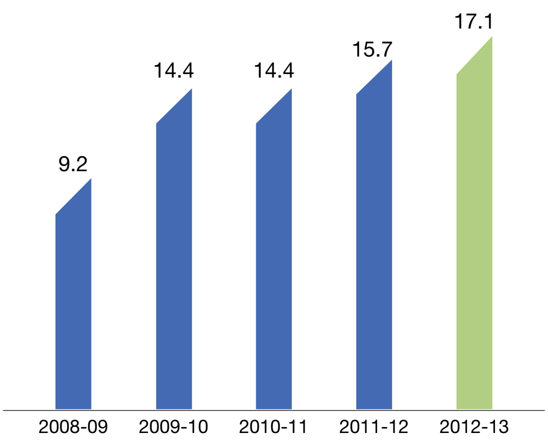
Blending Global Best Practices with Domestic Insight is our Strength

Over the last five years, our capacities including those of our subsidiaries and associate have increased from 9 MnT to 17 MnT by way of greenfield and brownfield expansions and acquisitions. Cost and duration of the projects were lower than the industry average. Deploying global best technologies and machinery, these recently commissioned projects help us operate at optimal efficiencies.

In FY13 we acquired plants and set our footprints in the North East. We leveraged our management capabilities to integrate the acquired assets within a short duration of four months. Post the completion of expansions, the total cement capacity of Dalmia Bharat Limited along with its subsidiaries and associate is expected to be 22 MnT.

Ariyalur, Tamil Nadu

Group Capacity (MnT)



"Proven project execution with one of the lowest costs per tonne in the shortest possible time"

Dalmia Bharat Limited

Value Creation

Fostering Fulfillment and Motivation to Self-Actualize what we Strive for

Human capital is our prime asset. We offer a progressive work environment, which promotes empowerment, collaboration, meritocracy and continual skill enhancement. Within Dalmia Bharat work credo lie our values - Learning, Teamwork, Speed and Excellence.

Consistency can be seen in performance. Our total operating revenue has grown at a CAGR of 25% over the last three years. Delivering on current deliverables, while building the foundation of a formidable future leadership, we stay committed to enhancing shareholders' value.

Industrial Training Institute at Dalmiapuram

We have progressively played a robust role in socio-economic development of communities in which we operate. Over time, these have emerged as areas which have a distinctly improved quality of life. Our belief is rooted in matching our economic success with social progress. We provide healthcare services, educational support and livelihood enhancement in our geography.

> "A cohesive vision, shared future and collective effort serve inclusive growth and creates enduring value"

Green Quotient

For a business, a country and the planet to be alive; and for any human endeavour to fructify, it is essential that environmental best practices and a long-term vision be followed

Our commitment to the environment is an article of faith, which has been intrinsic to the Dalmia way of business. We are amongst the three Indian companies and 25 globally to qualify for membership to the Geneva based Cement Sustainability Initiative (CSI) on its very exacting standards.

We demonstrably and incrementally protect and nurture the environment around our plants. We harvest rain water, re-use waste water from captive power plants for cement manufacturing process and ensure low emission.

As part of our energy conservation and environmental management focus, we have initiated the concept of 'Going Green' and have taken several initiatives in this area. In order to reduce our dependency on coal, we started using alternate fuel such as pet coke, municipal

Eco-friendly Mining at Dalmiapuram

solid waste, dolachar, spent carbon and liquid molasses in the kilns. Our sustainable development team's focus on utilising industrial waste from chemical, steel, sugar, pharmaceutical and other such industries has helped us in reducing our carbon emissions significantly. We focus on several energy saving projects, which help us to reduce our power and heat consumption.

Our commitment to sustainable and inclusive development is reflected in several recognitions. These include being the only Indian manufacturing company to join the Green Portfolio program of Kohlberg Kravis Roberts (KKR); receiving the **'National Energy Conservation Award'**, the **'CII-ITC Sustainability Award'** and **'Mines Safety Week Award'** among others.

> Our sustained focus on carbon emission reduction, waste reduction and re-cycling is in line with our core values

About Dalmia Bharat

Dalmia Bharat Limited (DBL), with total operating revenue of ₹ 3,160 crore, is engaged in the businesses of cement and refractories. In cement manufacturing, we are in the top quartile in India and are a pioneer in specialty cement. Dalmia Cement (Bharat) Limited, a subsidiary of DBL, holds 45.4% stake in OCL India Limited, a major cement player in the Eastern region. Our presence in the refractory business is well-known. We supply Alumina based refractory solutions to producers of cement, steel, glass, power and other allied industries. Over the years, we have developed capabilities to provide complete refractory solutions and execute cement projects on a turnkey basis. We have total thermal captive power capacity of 151 MW, which supports 70% of the total installed capacity of the Company. The surplus power is sold to the state grid.

Product Offering

Product Offering Cement (OPC/PPC/PSC)	Specialty Cement
Dalmia Vajram	Dalmia Railway Sleeper Cement
Dalmia Super Roof	Dalmia Oil Well Cement
Dalmia Cement	Dalmia SRPC
Konark	Dalmia Airstrip Cement

Meghalaya Plant

Capacities

Company	Plant	Cement (MnT)			Power (MW)		
		Existing	Under Expansion	Total	Existing	Under Expansion	Total
Dalmia Cement	Dalmiapuram, TN	4.0	-	4.0	45	-	45
	Ariyalur, TN	2.5	-	2.5	27	-	27
	Kadapa, AP	2.5	-	2.5	-	-	-
	Meghalaya	1.5	-	1.5	25	-	25
	Lanka*	1.3	0.9	2.1	-	-	-
	Belgaum, Karnataka	-	2.5	2.5	-	27	27
	Total	**11.8**	**3.4**	**15.1**	**97**	**27**	**124**
	Umrangshu, Assam**	0.3	1.0	1.3	-	-	-
OCL	Rajgangpur, Odisha	4.0	-	4.0	54	-	54
	Kapilas, Odisha*	1.4	-	1.4	-	-	-
	Medinipur, WB*	-	1.4	1.4	-	-	-
Total		**5.4**	**1.4**	**6.8**	**54**	**-**	**54**
Group Total		**17.1**	**4.8**	**21.8**	**151**	**27**	**178**

* Grinding capacity
**Clinker capacity

Practicing Values

Learning

Fire represents Learning. Fire within, is the source of curiosity, which spurs learning. The creative application of learning in turn, fosters innovation.

Teamwork

Water is representative of Teamwork. As a natural, free flowing, pleasant solvent, water embodies the qualities of trust, mutual respect and collaboration.

Speed

Air denotes Speed. It empowers and evokes passion, nurtures growth.

Excellence

Earth represents Excellence. Its ability to withstand extreme heat and pressure is essential for taking on big challenges.

enduring ***values*** *new* ***think***

Recognition

Operational Efficiency

- Dalmiapuram unit was honoured with the **CII National Excellence Award** for excellence in Energy Management 2012
- Kadapa unit received **CII's Excellence in Water Management Award 2012**
- Ariyalur unit was felicitated the **National Energy Conservation Award 2012** from Bureau of Energy Efficiency

People and Safety

- Ariyalur received *Manufacturing Today* Award for **Excellence in Human Resources** in the Large Enterprises category
- Secured first position in the **Mines Safety Week** Award

Sustainability

- Dalmia Cement received the **CII ITC Sustainability Award 2012** for sustainable development
- Ariyalur unit received the **Green Leadership Award** for the Asia Responsible Entrepreneurship Awards 2012 South Asia from Enterprise Asia

Publicity

- Dalmia Cement has been chosen as the **Most Popular Brand of North East** for 2012-13 in the segment Print Creative by Red FM, News Live and Assomiya Pratidin

To unleash the potential of
everyone we touch

2012-13 at a Glance

Inorganic Growth

- Acquisition of Adhunik Cement, Meghalaya, with a capacity of 1.5 MnT
- Increased stake in Calcom Cement to 76% from 50%, having a capacity of 1.3 MnT

Organic Growth

- Setting up of greenfield project of 2.5 MnT at Belgaum, Karnataka
- Setting up a split grinding unit of 1.4 MnT at Medinipur, West Bengal, by our associate company OCL India Limited
- Expansion of clinkerisation unit by 1 MnT in Umrangshu and grinding unit by 0.9 MnT in Lanka, Assam

Integration

- Integration of people and processes in the acquired units of North East in a short span of four months into a single brand

Brand

- Launched Dalmia brand in North East
- Increased market share from 10% to 22% (March, 2013)
- Emerged as price leaders in the market

Corporate Finance

- Reduction of interest cost on existing loans of DCBL
- Re-financed high cost debt of acquired units of North East

Outcome

- Total Operating Revenue up by 20% to ₹3,160 crore
- Operating Profit increased by 14% at ₹672 crore
- Higher Net Profit at ₹197 crore

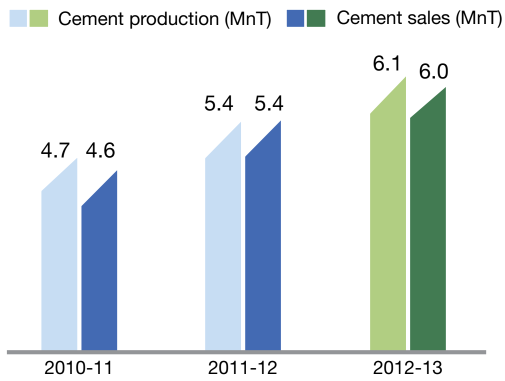
Dalmia
Bharat Limited

Financial Highlights

	UOM	2012-13	2011-12	2010-11
Production				
Clinker	MnT	4.8	4.3	3.5
Cement	MnT	6.1	5.4	4.7
Power	MnKwh	451	383	419
Power Consumption per tonne cement produced	Kwh/T	74	73	76
Sales				
Cement	MnT	6.0	5.4	4.6
Power	MnKwh	134	94	154
Total Operating Revenue	₹ crore	3,160	2,637	1,975
Net Operating Revenue	₹ crore	2,791	2,342	1,752
Operating Profit	₹ crore	672	591	386
Cash Profit	₹ crore	440	439	214
Profit before Tax	₹ crore	274	270	71
Profit after Tax	₹ crore	197	143	50
Net Worth	₹ crore	3,618	3,317	3,186
Loan Funds	₹ crore	3,431	1,829	1,930
Cash & Cash Equivalents	₹ crore	669	707	651
Non Current Investments	₹ crore	614	553	463
Net Block (including WIP)	₹ crore	5,212	3,554	3,709
Net Working Capital*	₹ crore	685	425	348
Operating Profit margins	%	24%	25%	22%
Earnings per share	₹	24.3	17.7	6.1
Cash EPS	₹	54.4	44.9	29.3
Net Debt to Equity	X	0.8	0.3	0.4
Interest Coverage	X	3.1	4.3	2.4
Current Ratio	X	1.5	1.8	3.1
Dividend Rate	%	100	75	63
Dividend Payout ratio	%	8	8	20
Share Price on March 31	₹	148	144	185
Market Capitalisation	₹ crore	1,204	1,167	1,502

* Excluding Cash & Cash Equivalents

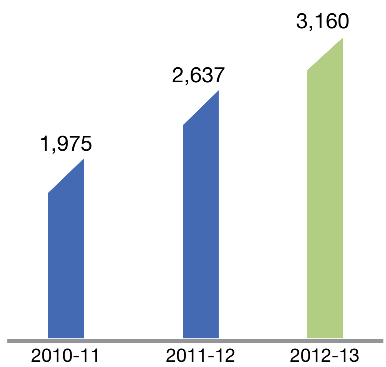
Cement Production and Sales



> Operating profit grew at a CAGR of 21% over the last three years

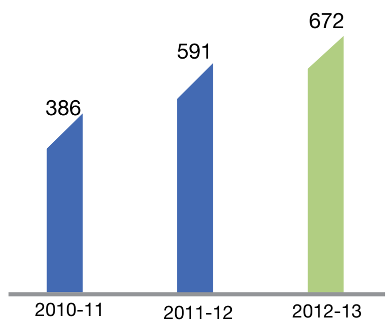
Total Operating Revenue

(₹ crore)



Operating Profit

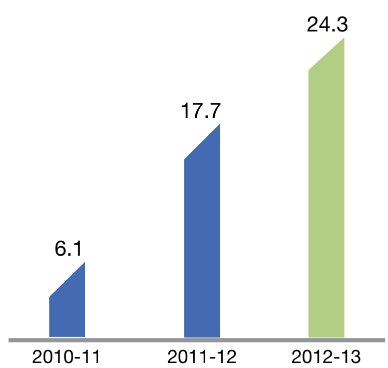
(₹ crore)



> Total shareholders' funds stood at ₹3,618 crore

Earnings Per Share

(₹)



Letter to Shareholders

Puneet Yadu Dalmia, *Director* **Gautam Dalmia,** *Director*

> Post completion of expansions, the total capacity including our subsidiaries and associate would be 22 MnT

Dear Shareholders,

We are pleased to address you in a year where your Company has been able to deliver significant growth and performance despite numerous macro-economic and industry challenges.

With an intent to reduce the business risk through geographical diversification, your Company successfully established its footprint in North East by acquiring two cement plants in the region, i.e. Calcom Cement and Adhunik Cement.

After successfully enhancing capacities over the last five years by way of brownfield and greenfield expansion, your Company has accelerated its growth through strategic acquisitions. This comprehensive growth strategy has resulted in the group capacity (including subsidiary and associate) rising to 17 MnT. Inorganic growth would continue to remain an integral part of our strategy going forward.

On the organic growth front, your Company is setting up a 2.5 MnT greenfield project at Belgaum, Karnataka. With this, we would access the markets of Maharashtra and further deepen our reach in South Western India. Our expanding capacities in the North East through 1.0 million tonne clinkerisation unit and a 0.9 million tonne grinding unit will complement our market leadership in that region. On completion of our in-progress expansions, the combined capacity of your Company (including subsidiaries and associate) would increase to 22 MnT.

A firm commitment to quality, robust marketing and branding has led us to become the most preferred cement player in the North East region. Our market share increased substantially in a period of four months in the region while simultaneously commanding premium pricing.

The overall financial performance of your Company also demonstrated a commendable 20% growth in total operating revenue to ₹3,160 crore on account of increase in volumes by 12% and improved cement realisation by 6%. Despite challenges in terms of increase in key input costs and freight, your Company successfully achieved an EBITDA of ₹672 crore, a growth of 14% due to all round efficiencies. Similarly, the net profit was also higher at ₹197 crore as compared to ₹143 crore. We would continue to grow and work towards achieving higher operational efficiencies, so as to establish a profitable growth trajectory.

We would like to thank each of our employee; our prime asset, for their continuous dedication and commitment. We would also like to thank all our vendors, business associates, partners, lenders and stakeholders for their continued faith and support.

Gautam Dalmia

Puneet Yadu Dalmia

Management Discussion and Analysis

Economic Scenario and Outlook

Due to a combination of internal and external factors, the Indian economy grew at a markedly lower rate of 5% compared to 6.2% in the previous year. Barring the services sector, all other sectors of the economy witnessed a slowdown. The lower rate of growth led to a breach in the fiscal deficit target moving up to 5.7% of the GDP.

The industrial growth was a mere 3% due to monetary tightening measures, which were implemented to control inflation. This however, did not mitigate inflation, which stood at 8% for the year in review. Monetary tightening has led to higher costs of borrowing, which in turn resulted in lower investments.

The estimated growth for FY14 is in the region of 6%, with the Government expected to implement a series of measures to boost growth. We have witnessed policy changes in foreign direct investment. Disinvestments and reforms in key areas like spectrum sale are also expected. With these measures, the fiscal deficit is expected to be brought down to 4.8%.

The Central Bank has eased the monetary policy with repo and CRR rate cuts. We expect this to continue in the coming fiscal year.

Kadapa Plant, Andhra Pradesh

Indian Cement Industry

The country's cement industry has an installed capacity of 360 MnT. Of this, 25 MnT was added during last financial year. The industry is operating at around 70% utilisation. Cement in India posted a modest growth of around 5.6% during the year. This was on account of overall slowdown in the economy, poor growth of final consumption expenditure, shortage of essential construction items and high interest rates.

The sector has been saddled with excess supply. Over the last three years there has been an addition of about 100 MnT capacity which has led to supply outstripping demand. As a result, the industry operated at very low capacity utilisation. This led to slow down in the sector with cement prices coming under pressure. The situation was compounded by rising cost of production which impacted profitability. The regions where demand outstripped supply, witnessed price increase. Companies operating in those regions were able to pass on the cost increase to customers, and maintain profitability. In areas where supply was in excess of demand, manufacturers had to absorb increased costs. A macro look at the industry reveals that considerable cement capacity addition is underway over the next two years and will continue to offer excess market supply. The southern markets, where your Company operates, grew by around 7% whereas the eastern region registered a growth of 8%.

Outlook

Cement demand is expected to grow in the region of 7% in FY14. This will be driven by increased investments in housing and infrastructure sectors. Proposed Government plans for developing heavy infrastructure projects like freight corridors, airports, seaports, power plants, etc. are expected to add to the cement demand in the country.

> "Total installed capacity of 17.1 MnT"

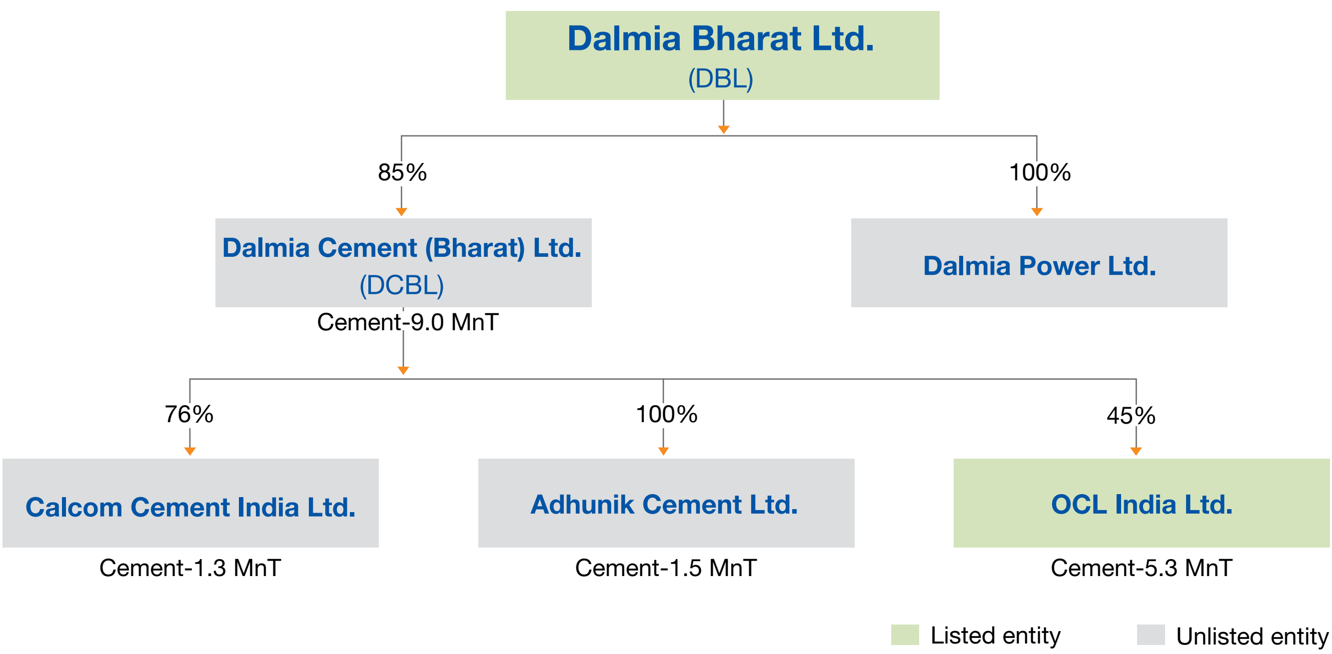
Company Overview

Dalmia Bharat Limited (DBL) is one of the key cement player in India and a leader in cement manufacturing since 1939. The Company is well respected for its project execution capabilities and is a multi-spectrum player with double digit market share in its primary markets. DBL is a pioneer in super specialty cements used for oil wells, railway sleepers,and airstrips. The Company has cement plants in the southern states of Tamil Nadu (Dalmiapuram and Ariyalur) and Andhra Pradesh (Kadapa), with a capacity of 9 million tonnes per annum. The Company also holds 45.4 % stake in OCL India Ltd., a major cement player in the eastern region with a capacity of 5.3 MnT. The Company has recently embarked upon acquisition led growth for expansion. As part of this strategy, two cement plants in North Eastern India - Adhunik Cement and Calcom Cement were acquired. With these acquisitions, the Group now has augmented its presence and gained greater traction in its effort to acquire a pan India footprint with total installed capacity of 17.1 MnT (along with its subsidiaries and associate), from 9 MnT over the last five years.

DBL's project execution coupled with the ability to successfully execute mergers and acquisitions has spurred this growth. DBL's capacity will increase to 22 MnT over the next two years.

The Company has consistently demonstrated its ability to gain market share in its existing and new markets besides enjoying premium pricing.

Your Company, through its 74% holding in DCB Power Ventures Ltd (DCBPVL), has a captive thermal power capacity of 72 MW in the southern region. In addition, its subsidiaries and associate have captive thermal power capacity totalling to 79 MW. Current captive power capacity supports 70% of the total installed cement capacity of the Group.



Key Highlights for FY 2012-13

The Brand made its advent in the North East

During the year in review, DBL acquired Adhunik Cement Limited in Meghalaya with a capacity of 1.5 MnT and increased its stake in Calcom Cement to 76%. With these acquisitions, the Company has consolidated its position as a leading national brand in the North East region.

Despite geographical challenges, we have been able to initiate and implement efficiency improving measures in operations in a short span of four months, the benefits of which are expected to realise from FY14 onwards. We expect further cost reduction due to integration and realisation of synergies in the acquired assets.

Cement Control Room, Ariyalur

Operational Performance*

	2012-13	2011-12	% Change
Clinker production (MnT)	4.8	4.3	12%
Cement production (MnT)	6.1	5.4	13%
Cement sales (MnT)	6.0	5.4	12%

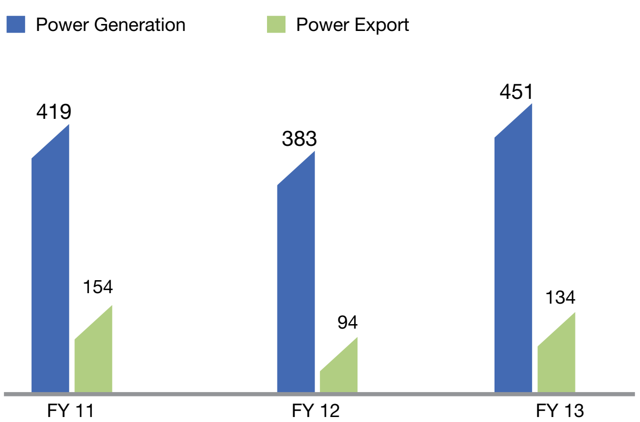
* *excluding associate*

The acquisition/expansion of capacities enabled us to increase our installed capacity (including our subsidiaries and associate) by 19% to 17.1 MnT in FY 13 as compared to 14.4 MnT in the previous year.

Southern Operations

- The Company's efforts of maximising productivity through improved efficiencies and better utilisation of existing resources in the South have resulted in the cement variable cost increasing by 7% on per tonne basis despite the increase in diesel prices and rail tariff by over 20% coupled with increase in the average input cost during the year.
- The Company's efforts on energy efficiency have helped maintain power consumption at 73 units per tonne of cement produced, witnessed reduction in overall heat rate and improved usage of alternate fuel to 2% against less than 1% in the corresponding prior period.
- Screening plant commissioned at Kadapa resulted in reducing the limestone rejects from 20% to 11% and improvement in lime content savings.
- The Company generated 451 Mn units of power against 383 Mn units in the previous year and sold 134 Mn units of power against 94 Mn units in the previous year, registering a production growth of 18% YoY and sales growth of 43% respectively.

Power Generation and Export (Mn kwh)



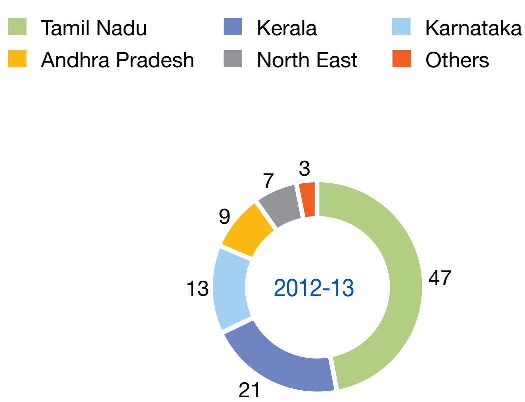
North East Operations

With the acquisition of two units, in Assam (Calcom Cement Limited) and Meghalaya (Adhunik Cement Limited), the challenge was to stabilise operations and synergistically integrate them with the operational and cultural mainstream of the parent company.

In order to successfully integrate both these acquired assets, the Company initiated actions across all functions aimed at enhancing value, defining success parameters and setting up robust governance structure. The initiatives were rolled out as “100 day plan” to establish a definitive framework to capture synergies and unlock true potential of these acquisitions. We strengthened the process environment by putting in place robust control mechanisms. As a result, we were successful in integrating both the units in a short span of four months. The following are some of the operational efficiencies :

- Brand launch resulted in premium pricing in the North East and significant improvement in market share.
- Cement production increased by approximately 27% from 2,200 TPD to 2,800 TPD at Meghalaya plant.
- Fuel Cost reduced by about 350 MnKCal and power generation cost declined by about 35% at Meghalaya plant.
- Improvement in the flyash blending ratio from 18% to 28% in Calcom and to 30% in Adhunik.
- Enhanced the 1 day strength of cement from 11.8 Mpa to 16.2 Mpa and 3 day strength from 20.5 Mpa to 27.3 Mpa at Lanka, Assam.

Geographic Mix (%)



Growth Plans

The Company’s greenfield capacity of 2.5 MnT at Belgaum, Karnataka, which is being under implemented would enhance the Company’s market reach in the western region, mainly Maharashtra and northern Karnataka. The cost of setting up this greenfield project is estimated at ₹1,340 crore and is expected to be fully operational by FY15.

The Company is also setting up a 0.9 MnT grinding unit at Lanka, Assam, which will enhance the grinding capacity to 2.1 MnT and is setting up a 1 MnT clinker unit at Umrangshu, Assam, which would take the total clinker capacity to 1.3 MnT, at an estimated cost of ₹500 crore.

OCL is setting up 1.35 MnT split grinding unit at Medinipur in West Bengal at an approximate cost of ₹520 crore, which is expected to be commissioned by FY14.

Post commissioning of all the capacities, the Group’s cement capacity would increase to 22 MnT from 17 MnT currently.

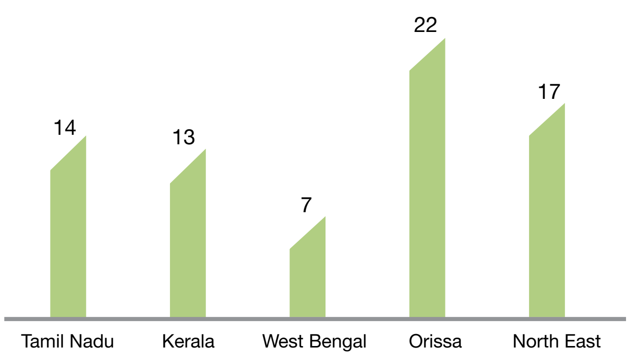
Upcoming Plant at Belgaum,Karnataka

Business Drivers

Marketing and Branding

At Dalmia, we have been prudently and proactively investing in marketing and branding activities. We have increased our dealer network, retail outlets, stockists and distributors in order to ensure on-time product availability. Our focused brand strategy has enabled us to gain market share in most of our markets. In keeping with proactive marketing strategy your Company launched the Dalmia brand in the North East. The launch saw participation of over 600 dealers. Mary Kom, Olympic boxing champion, is our brand ambassador. A variety of innovative incentive schemes are introduced for our dealers such as swipe card based sub dealer incentive programs, quality bag with security hologram to assure "Genuine Cement". All these initiatives helped us to become a leading brand in the North East within a remarkably short time of launch.

Market Share in Key Markets (%)



> 'Dalmia', the most preferred brand of North East

Dalmia Cement received the "Best Print Creative prize for the year 2012-2013" in the North East *Popular Brand Awards 2013*, organised by News Live, Red FM and Assomiya Pratidin. The Public Relations Council of India (PRCI) recorded its appreciation for the Group website at the 6th All India Corporate Collateral Awards.

Going ahead, the Company would focus on brand visibility across its markets and geographies.

Logistics

The Company endeavours to sell its cement within a lead distance of around 300 kms, which provides flexibility to modify the rail road mix based on the economic utilisation of the mode of transport. In FY13, the Company increased the share of road dispatches in the wake of enormous hike in rail tariffs-which were increased by around 25%. Our prudent mix of rail and road transport helped in rationalising our turnaround time and control freight costs. Currently 90% of our dispatches are through road transportation.

In the North East too, we have been able to reduce the logistics cost due to induction of dedicated trucks to our fleet.

The Company would continue to remain focused on ensuring better OTIF (On Time In Full) delivery concept by increasing the percentage of dedicated trucks to improve our turnaround time and service levels. Usage of geo-fencing system to prevent back-loading, installation of GPRS and RFID in vehicles, centralised processing system to co-ordinate order placement are few of the initiatives planned in the coming year.

Research and Development

In the cement industry, improvements in products, processes or operations would lead to premium pricing besides cost savings, hence it becomes imperative to focus on research and development.

We have been a pioneer in the cement industry for speciality cement used in applications like oil wells, railway sleepers, and air strips.

Our approach is focused on product development and our continued accent is improved products.

The Company's technical services carry out studies in the market for continued improvement and new product initiatives and development. Few of the products developed over the years include:

- Sulphate Resisting Portland Cement (SRPC)
- Masonry Cement having the property of lowering the hydration heat and minimising hair line cracks on plaster surface.
- Rapid Hardening Cement required in pre-cast industry.

Dalmia Bharat Limited

Human Resources

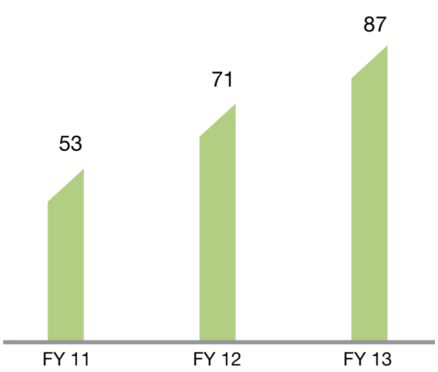
We are committed to attract, develop and retain high quality talent. We promote a culture of higher commitment and entrepreneurial approach across all our management positions to foster organisational growth. Our average working age in the Group is 36 years with a single digit attrition, which is lower than the average industry standard.

The Company's HR initiatives have fostered a culture whereby the workforce is happy and driven to continually improve upon their performance standard.

Few of the significant achievements of HR are enumerated below:

- **Successful Integration of North East -** During post acquisition, the HR function acted as a strategic partner to the organisation in its manpower integration. Assessing talent, re-positioning them based on competencies, introducing the Dalmia way of working, inducting employees into the Dalmia culture, re-allocating resources to improve productivity and increase efficiency, restructuring the organisation, getting the talent to lead it (internally/ externally) have been a few of the HR achievements in the area.
- **Online Performance Management System** - Initiated with a view to enhance transparency.
- **Ethics Helpline** - To provide a value based foundation and a secure work environment.
- **Health and Safety** - Safety standards were developed with the assistance of DuPont. Due to strict safety system adherence, there was not even a single accident during the year. The total strength of employees as on March 31, 2013 stands at 3,128.

Safety Health and Environment (SHE) Score (%)



Information Management

Information management continues to play a vital role in sustaining the competitive position in the market and supporting the growth of the organisation and in order to bring the visibility of project status with respect to the project schedule, budget, and inventory etc. SAP project system functionality was implemented to manage the projects effectively. Collaborative features like, the Intranet portal "SPARSH" were launched last year which is the preferred mode of employee interaction. Specialised applications for performance management system, safety, finance, audit and projects functions have enhanced the collaborative capabilities of team Dalmia.

State-of-the-art telepresence solutions are being implemented across the entire Group. This would enable all the units and offices to connect simultaneously and is expected to reduce travel time and costs.

The Company has also successfully launched Sales Force Automation application for its cement business in Tamil Nadu and Kerala for better customer service. This system is expected to be rolled out in rest of the geographies during FY 14.

The Company continues to invest in IT to bring all business entities on centralised infrastructure, ensuring business continuity and putting in robust technology and processes to ensure security compliance.

Refractories

Overview

Dalmia Refractories supplies alumina based refractory mainly to cement plants and also caters to steel, glass, power and other allied Industries. The Company has developed capabilities to provide complete refractory solution and execute cement projects on turnkey basis and is focusing to widen its customer base in steel and glass industry.

Operational Highlights

The production volume for FY13 for the refractory business which your Company has on job work basis was 42,842 MT compared to 50,667 MT in the previous year. The unit continues to depend on imports for its key raw material (refractory grade Bauxite) from China.

Refractory business's total revenue for the year stood at ₹73.9 crore in FY13, down by 3% as compared to ₹76.4 crore in FY12. The EBITDA was negative ₹2 crore for the year under review.

> "Integration of North East operations in a short span of 4 months"

Consolidated Financial Performance

Profit & Loss Account Analysis

Total Income

The Company's total income stood at ₹2,791 crore in FY13 increased by 19% YoY as compared to ₹2,342 crore in FY12. This was on account of increase in sales volumes by 12% (6.0 MnT vs. 5.4 MnT) and improvement in cement realisations by 6%.

Operating Expenditure

- Total operating expenditure of the company stood at ₹2,156 crore in FY13 as compared to ₹1,775 crore, an increase of 22% YOY.
- Power and fuel cost incurred in FY13 was at ₹751 crore as compared to ₹673 crore on account of higher production volumes in FY13.
- Freight cost stood at ₹412 crore in FY13 as compared to ₹317 crore in FY12. Higher cement despatches and increased rail tariffs plus diesel tariffs have led to higher logistics cost.
- Employee cost stood higher at ₹198 crore in FY13, on account of consolidation of Adhunik and Calcom, salary hikes and new recruitments.
- Other expenses incurred during the year stood at ₹499 crore, up 28% as against ₹389 crore in FY12. This is on account of higher fixed costs incurred at the Group level.

Dalmia Bharat Limited

Operating Profit

Operating EBITDA improved significantly in FY13 to ₹672 crore from ₹591 crore in FY12, witnessed a jump of 14%. Improved cement realisations and better operational efficiencies were the major contributors.

Depreciation

Depreciation cost for the year under review stood at ₹206 crore in FY13 as against ₹182 crore in previous year, up 13% YoY. This is on account of consolidation of North East plants.

Financial Charges

The financial charges have risen from ₹151 crore to ₹231 crore on account of higher debt in the books.

Other Income

Other income for the year was ₹39 crore down from ₹55 crore in FY13, mainly on the back of lower profit booked on sale of investments which stands at ₹16 crore for the current year as compared to ₹26 crore in the previous year. Other items in FY13 include interest from bank deposits and others ₹12 crore and dividend income from current investments of ₹11 crore.

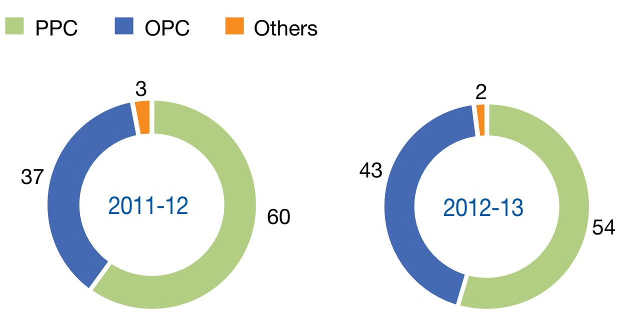
Total Tax Expense

Total Tax Expense stood at ₹134 crore, increased by only 9% on YoY basis, which mainly includes current tax of ₹100 crore and deferred tax charge of ₹39 crore. Our North East units enjoy 100% waiver of Income Tax liability.

Net Profit

Consolidated Net Profit for FY13 was to the tune of ₹197 crore in FY13, up 37% YoY from ₹143 crore in FY12.

Product Mix (%)



Balance Sheet Analysis

Net Worth

Total net worth of the company stood at ₹3,618 crore in FY13 increased by 9% as compared to ₹3,317 crore in FY12. The same comprised of following:

Paid up equity capital- Stood at ₹16 crore as on March 31, 2013 comprising 8,11,89,303 equity shares of ₹2 each (Fully paid up).

The Company's reserves and surplus were to the tune of ₹3,052 crore in FY13. Of this, the surplus in profit and loss account was ₹309 crore and appropriations to Debenture Redemption Reserve were attributed to the tune of ₹76 crore. Minority interest stood at ₹517 crore.

Loan Profile

The total loan funds of the Company stood at ₹3,431 crore in FY13.

Total Assets

Total assets of the Company increased to ₹7,999 crore in FY13 from ₹5,627 crore on account of consolidation of North East units. The Company's net fixed assets as proportion of total assets were at 65% at the end of the year.

Fixed Assets

Fixed Assets of the company stand at ₹5,212 crore as against ₹3,554 crore. This is on account of consolidation of acquired units in North East.

Capital work-in-progress for the year increased by 372% at ₹550 crore in FY13 as against ₹117 crore in FY12 on account of capex incurrence on upcoming projects at Belgaum, Karnataka and at Lanka and Umrangshu in Assam.

Non-Current Investments

Long term investments of the Company stood at ₹614 crore of which strategic investment in OCL was ₹515 crore (45.4% stake).

Inventories

Inventories stood at ₹352 crore in FY13 increased by 35% as compared to ₹261 crore in FY12. This comprises stores and spares to the tune of 65% at ₹229 crore, work-in-progress of ₹31 crore, raw material inventory of ₹23 crore and finished goods inventory of ₹69 crore.

Sundry Debtors

The debtors of the Company stood at ₹242 crore in FY13, of which only ₹18 crore are more than six months old.

Loans and Advances

Total loans and advances amounted to ₹905 crore, comprised of 11% of the Company's total assets wherein short term loans and advances were ₹298 crore, primarily on account of deposits and balances with Government departments and other authorities.

Cash and Cash Equivalents

The Company had a cash and cash equivalents (including liquid investments) of ₹669 crore on 31st March 2013, decreased slightly by 5% as compared to ₹707 crore in FY12.

Current Liabilities

Current liabilities other than short term borrowings of ₹292 crore and current maturities of long term loans of ₹148 crore stood at ₹579 crore comprising mainly of trade payables of ₹326 crore.

Corporate Social Responsibility

Our CSR goals are aligned with the Millennium Development Goals (MDGs)

The three principal goals that we focus on are:

I. No family residing in our program village would be earning less that ₹5,000 per month.

II. Each child in the age group of 6-14 gets quality primary education.

III. Reducing the mother and child mortality rate (MMR & CMR) in the program villages by 50% vis-à-vis the base year (2009-10) by 2015.

Livelihood

To strengthen dairy farming as an occupation in our program areas, we have given loan for purchase of milch cattle. The milch animal programs have raised the income of approximately 150 families from ₹2,500 to ₹5,000 per month.

As a result of the livelihood program, the families under the program received an additional income of ₹9.5 million through selling milk. 119 unemployed have been given employment at various cement locations, 400 farmers have been trained on sustainable agriculture and 350 people trained in animal husbandry.

Health

- During the year, approximately 520 malnourished children were provided supplementary nutrition. 713 children have been immunized and 416 couples counseled for family planning around our cement plants.
- 8,000 people benefitted because of the special diabetic testing and screening in Dalmiapuram and also an eye camp was conducted in Trichy.
- DPM and Ariyalur did not register a single case of child death in 2013-14. This was appreciated at a recently held roundtable conference organised by the Indian Institute of Corporate Affairs (IICA) and which was attended by UNICEF and USAID.

Education

- In our cement locations in the south, no child in the age group of 6-14 is out of school. 800 children were given value based education and support was provided to 25 *anganwadi* centres.

Dalmia Institute of Construction

Started in 2008 by Dalmia Cement, the programme focuses on the youth between the age group of 18-23 years. Through this innovative program the group addresses the substantial gap between the demand and availability of well-trained supervisory manpower for the construction Industry.

Infrastructure Development:

- The CSR programme has made available clean, potable drinking water for the community in Nawabpeta village, Jammalmadugu block of Kadapa district, The community had expressed their need for potable water and to address this issue, the reverse osmosis plant was established in the village. Now the incidence of water borne diseases and the time spent for collecting potable water has reduced significantly. Regular programmes are organised in the village to provide awareness on safe drinking water. Overall seven reverse osmosis plants and 237 toilets have been constructed to improve the quality of life for the community members.
- Other infrastructural development include 20 rain water harvesting structures, 10 biogas plants and 30 vermi compost units, which have been established in the five villages of Kadapa.

Go Green

Your Company planted more than 1 lakh trees inside the plant area and developed capability to use municipal solid waste, plastic and polythene waste as alternate fuel. This also enabled your Company to save 6,734 tonnes of carbon, with savings of over ₹1 crore.

Your Company's sustainable development team is now focusing on utilisation of industrial waste from chemical, steel, sugar, pharmaceutical, automobile and such other industries.

- **Recycling of captive power plant effluent water-** As a part of initiative to conserve natural resources, captive power plant effluent (waste water) was being used for cement manufacturing process by which 3,607 KL of raw water was saved.

Recognitions

- The Company has been awarded CII-ITC Sustainability Award for contribution to sustainability.
- The Company has been awarded **"GREEN AWARD 2012"** from The Chief Minister of Tamil Nadu.
- Your Company was also awarded by Confederation of Indian Industry (CII) for energy efficiency with **"Best Energy Efficient Award"**. Also received recognition in the area of **'Water Management'** by CII.
- Ariyalur unit has been awarded **"National Energy Conservation Award"** from Ministry of Power, Government of India.

Key Risks and Concerns

Industry Risk

The cement sector is prone to uncertainty due to the current economic scenario which may impact cement demand, cost of production and sales realisation.

The Company regularly monitors the economic trends and tries to mitigate itself from the risk of uncertainty with an astute balance between its short-term and long-term strategies.

Geographic Concentration Risk

Concentration on a particular region could affect revenues in the event of a slowdown of a particular region.

The organisation has now diversified itself from being only a south-India based cement player to a multi-geography player by acquiring two cement plants in North East and setting up a greenfield plant in Karnataka, which would also cater to the markets in western India.

Cost Risk

Rising cost of raw materials, fuel, power, freight costs and volatile currency may impact the profitability and the operating margins.

The Company has initiated usage of cheaper fuels such as high moisture coal, pet coke and lignite across its units. It has also improved the consumption of alternate fuels to 2% during the year under review.

Company has also taken various energy efficiency initiatives in southern operations, which has helped us to maintain the power consumption per tonne of cement.

> "Recognition by CII-ITC for Dalmia's efforts towards Sustainable Development"

Competition Risk

Cement sector in India is competitive on account of supply/ demand mismatch. Increasing competition could erode market share of the Company.

Your Company continues to invest in cost reduction measures, marketing & sales promotions coupled with brand building to mitigate this risk.

The Company has also achieved scalability and geographical divergence to mitigate these risks

Internal Control Systems

The Company has an appropriate and adequate system of internal control to ensure that all its assets are safeguarded. The Company has established an internal audit department, which ensures adequate review of the whole Company's internal control systems through its audit partners, KPMG and PwC. The effectiveness of the internal controls is continuously monitored by the Corporate Audit Department. The Corporate Audit's main focus is to provide to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management control and governance process. The Corporate Audit group also follows up the implementation of the remedial actions and improvement in business processes. The audit activities are undertaken as per the annual audit plan, which is developed based on the risk profile of the business process and in consultation with outsourced firms and the statutory auditors. The audit plan is approved by the audit committee, which regularly reviews compliance to the approved plan. The audit department also does suitable enhancements to the audit plan based on the current business operating scenario.

Directors' Report
for the year ended 31st March, 2013

The Directors have pleasure in submitting the Annual Report and Audited Statements of Account of the Company for the year ended 31st March, 2013.

Financial Results

(₹ Crore)

	FY – 13	FY – 12
Net Revenue	**190.60**	**156.79**
Profit before interest, depreciation and tax (EBITDA)	**53.38**	**43.30**
Less: Interest and Financial Charges	0.11	0.31
Profit before depreciation and tax (PBDT)	**53.27**	**42.99**
Less: Depreciation	1.65	1.30
Profit before tax (PBT)	**51.62**	**41.69**
Provision for current tax	9.78	9.16
Provision for deferred tax	0.34	(0.28)
Prior year tax charge	0.17	0.27
MAT credit charge/(entitlement)	-	0.14
Profit after tax (PAT)	**41.33**	**32.40**
Add: (i) Surplus brought forward	22.55	7.55
(ii) Provision for dividend distribution tax written back	1.91	-
Profit available for appropriation	**65.79**	**39.95**
Appropriations:		
General Reserve	4.35	3.25
Proposed Dividend	16.24	12.17
Dividend Distribution tax thereon (net of tax credit of ₹2.01 crore (₹ Nil) on dividend from Subsidiary)	0.75	1.98
Balance carried forward	44.45	22.55
	65.79	**39.95**

Dividend

Your Directors have decided to recommend a final dividend amounting to ₹2/- per equity share of ₹2/- each as against a dividend of ₹1.50 per equity share paid in the immediately preceding year.

Change in Name of the Company

So as to reflect the group and brand identity, the name of the Company has been changed from Dalmia Bharat Enterprises Limited to Dalmia Bharat Limited and the Company has obtained a Fresh Certificate of Incorporation Consequent upon the Change in Name dated 1st November, 2012 issued by the Deputy Registrar of Companies, Tamil Nadu.

Operations and Business Performance

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during 2012-13.

Corporate Governance

The Company's corporate governance practices have been detailed in a separate Chapter and is annexed to and forms part of this Report. The Auditors certificate on the compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement is also attached as annexure and forms part of this Report.

Listing of Shares

The Company's shares continue to remain listed on the Madras Stock Exchange, National Stock Exchange and Bombay Stock Exchange and the listing fees for the year 2013-14 has been paid to the said Exchanges.

Industrial Relations

The industrial relations during the year under review remained harmonious and cordial. The Directors wish to place on record their appreciation for the excellent cooperation received from all employees at various units of the Company.

Employees' Particulars

The statement giving particulars of employees who were in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Rules and Notifications made thereunder, is annexed. However, in terms of the proviso (b)(iv) to Section 219(1) of the Companies Act, 1956 the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Foreign Exchange transactions, in accordance with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, forms a part of this report as Annexure – A. As the Company is getting its goods manufactured on job work basis, the details regarding Conservation of Energy, Technology Absorption are not applicable and are thus not furnished.

Subsidiaries

The Annual Report of Dalmia Cement (Bharat) Limited is attached.

The Central Government vide Notification No. 5/12/2007 – CL III, dated 8-2-2011 has given a general exemption to all Companies in terms of Section 212(8) of the Companies Act, 1956 from attaching the Annual Reports of its Subsidiaries. Accordingly, the Directors' Report and audited accounts of the Company's other Subsidiaries, Dalmia Power Limited, DCB Power Ventures Limited, Kanika Investment Limited, and the Subsidiaries of Dalmia Cement (Bharat) Limited, viz., Ishita Properties Limited, Shri Rangam Properties Limited, Geetee Estates Limited, D. I. Properties Limited, Hemshila Properties Limited, Arjuna Brokers & Minerals Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Minerals & Properties Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Shanmugha Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudhana Mines and Properties Limited, Dalmia Cement Ventures Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Vinay Cement Limited, SCL Cements Limited, RCL Cements Limited, Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited for the year ended 31st March 2013 are not being enclosed with this Annual Report. Any Member desiring to inspect the detailed Annual Reports of any of the said subsidiaries may inspect the same at the Head Office of the Company and that of the subsidiaries concerned. In event a Member desires to obtain a copy of the Annual Report of any of the aforementioned subsidiaries, he may write to the Registered Office of the Company specifying the name of the subsidiary whose Annual Report is required. The Company shall supply a copy of such Annual Report to such Member. The Annual Report of the aforementioned Subsidiaries are available at the Company's website www.dalmiabel.com.

A statement, as required under section 212 of the Companies Act, 1956, of the Company's interest in its subsidiaries and step down subsidiaries is attached.

Fixed Deposits

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

Directors

Mr. Bharat Anand and Mr. Donald M. Peck resigned from the Directorship of the Company on 18-8-2012 and 14-1-2013 respectively. Your Directors place on record their appreciation for the valuable services rendered by each of them during their tenure on the Board.

Mr. Asanka Rodrigo was co-opted as a Nominee Director on the Board of Directors of the Company in the Meeting held on 6-2-2013. He holds office till the conclusion of the ensuing Annual General Meeting. The Company has received a Notice from a Shareholder together with requisite deposit as required under the provisions of section 257 of the Companies Act, 1956 to the effect that he intends to propose the name of Mr. Asanka Rodrigo for being appointed as a Director of the Company.

Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Shareholdings in the Company by its Directors as at 31-3-2013, are as under:

Name of the Director	No. of Shares of ₹2/- each held
Mr. Jai H. Dalmia	16,35,010
Mr. Y.H. Dalmia	7,51,880
Mr. Gautam Dalmia	10,73,308
Mr. Puneet Yadu Dalmia	15,00,655
Mr. N. Gopalaswamy	Nil
Mr. P.K. Khaitan	Nil
Mr. V.S. Jain	Nil
Mr. Asanka Rodrigo	Nil

Consolidated Financial Statements

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2012-13.

CEO/CFO Report on Accounts

As required under clause 49 of the Listing Agreement, the CEO/CFO's Report on the Accounts is attached.

Directors' Responsibility Statement

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors declare that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no departures have been made there from;

(b) 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 of the Company for that period;

(c) 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; and

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

Auditors

M/s. S.S. Kothari Mehta & Co., Chartered Accountants the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 224 of the Companies Act, 1956, the Company has obtained from them a certificate to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said Section.

For and on behalf of the Board

New Delhi
Dated: 30th May, 2013

P.K. Khaitan
Chairman

Annexure – A

Particulars with Respect to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo and Earnings

A. Conservation of Energy

(a) Energy Conservation measures taken:

Not Applicable

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Not Applicable

(c) Impact of measures taken already and proposed vide (a) and (b) above are aimed at:

Not Applicable.

(d) Total energy consumption and consumption per unit of production as per Form “A”

Not applicable

B. Technology Absorption

Not applicable

C. Foreign Exchange Earnings and Outgo

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

(i) Refractory products were exported during the year.

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

(i) Used: ₹17.06 crore

(ii) Earned: ₹4.43 crore

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Dalmia Bharat Limited (DBL) believes in good Corporate Governance. Your Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, National Stock Exchange and Madras Stock Exchange.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports on the Company's compliance with Clause 49 of the Listing Agreement.

Board of Directors

Composition of the Board

As on 31st March 2013 the Company's Board comprised eight members — two Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. The Chairman of the Board of Directors is a Non-executive Director. The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates that if the Chairman is Non-executive, and is not related to the promoters or persons occupying management positions at the Board level or at one level below the Board, one-third of the Board should be independent, or else, 50 per cent of the Board should comprise independent Directors.

Number of Board Meetings

The Board of Directors met six times during the year on 18-5-2012, 13-8-2012, 5-9-2012, 8-11-2012, 3-1-2013, and 6-2-2013. The maximum gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by Clause 49 of the Listing Agreement, 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 Membership and Committee Chairmanships.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Memberships#	Committee Chairmanships#
		Held	Attended				
Mr. P.K. Khaitan, Chairman	Non-Executive	6	6	No	14	3	-
Mr. J.H. Dalmia Managing Director	Executive	6	4	No	6	-	-
Mr. Y.H. Dalmia Managing Director	Executive	6	6	No	3	1	1
Mr. N. Gopalaswamy	Independent Non-Executive	6	6	Yes	8	4	2
Mr. Donald M. Peck^	Independent Non Executive	5	Nil	No	-	-	-
Mr. Gautam Dalmia	Non-Executive	6	3	No	4	1	1
Mr. Puneet Yadu Dalmia	Non-Executive	6	5	No	6	3	-
Mr. Bharat Anand^	Independent Non-Executive	2	1	No	-	-	-
Mr. V.S. Jain	Independent Non-Executive	6	6	No	1	-	-
Mr. Asanka Rodrigo * Nominee Director	Independent Non-Executive	1	1	No	2	-	-

^ Mr. Bharat Anand and Mr. Donald M. Peck resigned from the directorship of the Company w.e.f. 18-8-2012 and 14-1-2013 respectively.

* Appointed as a Nominee Director effective 6-2-2013.

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

As required under Clause 49 of the Listing Agreement, the disclosure includes membership/chairmanship of audit committee and investor grievance committee of Indian public companies (listed and unlisted)

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

As mandated by the revised Clause 49 of the Listing Agreement, the independent Directors on the Company's Board are not less than 21 years in age and:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three financial years of the:
    - Statutory audit firm or the internal audit firm that is associated with the Company.
    - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Information Supplied to the Board

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

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

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

Remuneration Paid To Directors

The details of remuneration paid, during the year, to the Executive Directors and the Non-Executive Directors is presented in Table 2.

Table 2: Details of remuneration paid to Directors for 2012-13 (₹ lakhs)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Non-Executive	1.30	—	—	6.34	7.64
Mr. J.H. Dalmia Managing Director	Executive	—	41.67	2.59		44.26
Mr. Y.H. Dalmia Managing Director	Executive	—	45.37	2.59		47.96
Mr. N. Gopalaswamy	Independent Non-Executive	2.10	—	—	6.34	8.44
Mr. Donald M. Peck	Independent Non-Executive	—	—	—	5.28	5.28
Mr. Gautam Dalmia	Non-Executive	0.60	—	—		0.60
Mr. Puneet Yadu Dalmia	Non-Executive	1.00	—	—		1.00
Mr. Bharat Anand	Independent Non-Executive	0.40	—	—	2.64	3.04
Mr. V.S. Jain	Independent Non-Executive	1.80	—	—	6.34	8.14
Mr. Asanka Rodrigo	Independent Non-Executive	0.20	—	—	1.06	1.36

@ Commission paid on net profit only.

Retirement benefits comprise the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is being made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the Gratuity Fund towards gratuity of its employees including the Managing Directors. The Company has not provided any stock options to the employees at the Board level.

The appointment of Mr. Y.H. Dalmia, as Managing Director has been made for a period of five years effective 11th February 2011 and the appointment of Mr. J. H. Dalmia as Managing Director has been made for a period of five years with effect from 1st April 2011.

The Company has also paid an amount of ₹1.02 Lakhs to M/s. Khaitan & Co., LLP, Solicitors and Advocates (a firm in which Mr. P.K. Khaitan is a Partner), for the professional services rendered by them for their opinion on matters relating to Corporate Laws.

Code of Conduct

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

Risk Management

The Company has a risk management framework in place. Under this framework the management identifies and monitors business risks on a continuous basis, and initiates appropriate risk mitigation steps as and when deemed necessary. The Company has established procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

Committees of the Board

The Company has four Board-level Committees – Audit Committee, Remuneration Committee, Investment Committee and Shareholders Grievance Committee.

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

a) Audit Committee

The Audit Committee was reconstituted on 18-5-2012 with Mr. N. Gopalaswamy as the Chairman, Mr. V.S. Jain and Mr. Donald M. Peck as its members. Mr. Donald M. Peck ceased to be a Director of the Company on 14-1-2013 and Mr. Asanka Rodrigo has been nominated in his place as a member of the Committee in the Board Meeting held on 6th February, 2013. The Audit Committee met four times during the period on 18-5-2012, 13-8-2012, 8-11-2012 and 6-2-2013. The details of attendance of the Directors in the Meetings of the Audit Committee are given in Table 3.

Table 3: Attendance record of the Company's Audit Committee during 2012-13

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopalaswamy	Independent	Chairman	4	4
Mr. Donald M. Peck	Independent	Member	3	-
Mr. Y.H. Dalmia	Executive	Member	1	-
Mr. Bharat Anand	Independent	Member	1	1
Mr. V.S. Jain	Independent	Member	3	3

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

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 18th August, 2012.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made, if any, in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications, if any, in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors on any significant findings and follow up there on.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.

- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

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

- Management discussion and analysis of financial condition and results of operations.

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.

- Management letters / letters of internal control weaknesses issued by the statutory auditors.

- Internal audit reports relating to internal control weaknesses.

- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.

- Details of material individual transactions with related parties which are not in the normal course of business.

- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

b) Shareholders Grievance Committee

As on 31-3-2013, the Shareholders Grievance Committee comprised of Mr. V.S. Jain as its Chairman, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to look into and redress the unresolved complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee did not meet during the period. During the period, 60 complaints were received from investors and all of them were resolved. At the close of the year there were no cases pending in respect of share transfers. Table 4 gives the details:

Table 4: Nature of complaints received and attended to during 2012-13:

Nature of Complaint	Pending as on 1st April 2012	Received during the year	Answered during the year	Pending as on 31st March 2013
1. Transfer / Transmission / Duplicate	Nil	1	1	Nil
2. Non-receipt of Dividend/ Interest/ Redemption Warrants	Nil	39	39	Nil
3. Non-receipt of securities/electronic credits	Nil	14	14	Nil
4. Non-receipt of Annual Report	Nil	4	4	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	Nil	Nil	Nil
- Stock Exchanges	Nil	2	2	Nil
- Registrar of Companies/ Department of Company Affairs	Nil	Nil	Nil	Nil
6. Others	Nil	Nil	Nil	Nil
Total	Nil	60	60	Nil

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

- **Ms Nidhi Bisaria, Company Secretary**
  The Board of Directors has delegated the powers of approving the transfer of shares/debentures to senior executives of the Company.

c) Remuneration Committee

Mr. P.K. Khaitan, Mr. Donald M. Peck and Mr. N. Gopalaswamy Directors were nominated as members of the Remuneration Committee in the Meeting held on 26-5-2011. The Committee met once during the year on 18-5-2012 and the meeting was attended by Mr. P.K. Khaitan and Mr. N. Gopalaswamy.

Consequent upon the resignation of Mr. Donald M. Peck as a Director of the Company, Mr. Asanka Rodrigo was appointed in place of Mr. Donald M. `Peck in the Meeting held on 6-2-2013. The terms of reference to this Committee is to consider the payment of remuneration to persons of the Board level and one level below the Board, and consider the grant of stock options to various employees under the Employees Stock Option Plan.

d) Investment Committee

This Committee was formed by the Board in its meeting held on 7-11-2011 and comprises of Mr. J.H. Dalmia, Mr. Y H Dalmia, Mr. Gautam Dalmia, and Mr. Puneet Yadu Dalmia, as its members. The Committee was vested with the powers of making investments in securities quoted on the stock exchanges upto a total limit of ₹10 crore. The Committee met once in the year on 16-9-2012 and all the said Directors attended the Meeting.

Subsidiary Companies

Clause 49 of the Listing Agreement defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

As on 31st March 2013, under this definition, the Company has a 'material unlisted Indian subsidiary', namely, Dalmia Cement (Bharat) Limited. Mr. N. Gopalaswamy, an Independent Non-executive Director has been co-opted as a member on the Board of Directors of this subsidiary.

Shares and Convertible Instruments held by Non-Executive Directors

Table 5 gives details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March 2013.

Table 5: Details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March, 2013

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. P.K. Khaitan	Non-Executive	Nil	Nil
Mr. N. Gopalaswamy	Independent Non-Executive	Nil	Nil
Mr. Asanka Rodrigo	Independent Non-Executive	Nil	Nil
Mr. Gautam Dalmia	Non-Executive	1073308	Nil
Mr. Puneet Yadu Dalmia	Non-Executive	1500655	Nil
Mr. V.S. Jain	Independent Non-Executive	Nil	Nil

Management

Management Discussion and Analysis

The Annual Report has a detailed report on Management Discussion and Analysis.

Disclosures

Related party transactions in the ordinary course of business have been disclosed at Note No. 39 to the financial statements in the Annual Report. No transactions were made that had the possibility of injuring the Company's interests. The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it.

The Company has declared dividend for the first time only in 2011. As such, the question of complying with the requirements of Section 205C of the Companies Act, 1956 by remitting all amounts due to be credited to the Investor Education & Protection Fund does not arise at this point of time.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 211(3) of the Companies Act, 1956 in the preparation of its financial statements.

Details of Non-Compliance by the Company

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

Code for Prevention of Insider-Trading Practices

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

CEO/ CFO certification

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

Shareholders

Reappointment/Appointment of Directors

Pursuant to the Articles of Association of the Company at every Annual General Meeting of the Company, one-third of the rotational Directors retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third retire from office.

Mr. Asanka Rodrigo was appointed as a Nominee Director in the Meeting of the Board of Directors held on 6-2-2013. Accordingly in terms of section 255 of the Companies Act, 1956 he holds office till the conclusion of the ensuing Annual General Meeting of the Company. The Company has received a Notice from a shareholder, pursuant to the provisions of section 257 of the Companies Act, 1956, to the effect that he proposes the name of Mr. Asanka Rodrigo for being appointed as a Director of the Company at the ensuing Annual General Meeting.

At the ensuing Annual General Meeting, Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia, Directors of the Company retire by rotation and are eligible for re-appointment.

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 one financial newspaper, viz., Business Standard' and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period.

As required under the Listing Agreement all the data related to quarterly and annual financial results, shareholding pattern, etc., is provided to the web-site of the Stock Exchanges 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.

General Body Meetings

Table 6 gives the details of the last three Annual General Meetings (AGMs).

Table 6: Details of last three AGMs

Financial year	Date	Time	Location
2011-12	18th August, 2012	11.15 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2010-11	26th August, 2011	9.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2009-10	27th August, 2010	2.00 p.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 7.

Table 7: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
18th August, 2012	AGM	• Resolution pursuant to the provisions of sections 198, 269 and 309 of the Companies Act, 1956, to approve the payment of remuneration to Mr. J.H. Dalmia, Managing Director of the Company as set out in the deed of variation for a period of 3 years effective 1-4-2011.
		• Resolution pursuant to the provisions of sections 198, 269 and 309 of the Companies Act, 1956, to approve the payment of remuneration to Mr. Y.H. Dalmia, Managing Director of the Company as set out in the deed of variation for a period of 3 years effective 1-4-2011.
		• Resolution seeking approval of shareholders pursuant to section 81(1A)(a) read with sections 292(1)(a)/ 292(1)(b)/ 292(1)(c) of the Companies Act, 1956 for issuance and allotment of further securities convertible into equity shares to the extent of ₹2000 million which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹3.5 crore.
26th August, 2011	AGM	• Resolution pursuant to the provisions of sections 198, 269 and 309 of the Companies Act, 1956, to approve the appointment and payment of minimum remuneration, in the event of loss or inadequacy of profits, of upto an amount of ₹48 lakhs per annum to Mr. J.H. Dalmia, Managing Director of the Company for a period of 5 years effective 1-4-2011.
		• Resolution pursuant to the provisions of sections 198, 269 and 309 of the Companies Act, 1956, to approve the appointment and payment of minimum remuneration, in the event of loss or inadequacy of profits, of upto an amount of ₹48 lakhs per annum to Mr. Y.H. Dalmia, Managing Director of the Company for a period of 5 years effective 11-2-2011.
		• To approve the payment of commission of upto 1% of the net profits of the Company to the Non-wholetime Directors of the Company in terms of section 309 of the Companies Act, 1956.
		• To approve the issue of 16,00,000 Equity Shares of ₹2/- each in the capital of the company under the Employee Stock Option Plan, 2011, pursuant to the provisions of section 81(1A) of the Companies Act, 1956, at a price of upto the latest available closing market price prior to the date of grant of such options.

Date of Meeting	Type of Meeting	Particulars
		• Resolution seeking approval of shareholders pursuant to section 81(1A)(a) read with sections 292(1)(a)/ 292(1)(b)/ 292(1)(c) of the Companies Act, 1956 for issuance and allotment of further securities convertible into equity shares to the extent of ₹15000 million which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹4 crore.
27th August, 2009	AGM	• Permitting amendment in the Articles 12 and 13 of the Articles of Association of the Company relating to issue of new certificate in marketable lots and in lieu of worn out and defaced certificates without any cost.
		• Authorising issue and allotment of 80939303 equity shares of ₹ 2/- each to persons other than the existing shareholders of the Company in terms of the Scheme of Arrangement approved by the Madras High Court vide its order dated 29-7-2010 resulting in the increase in issue and paid–up capital of the company by ₹16.19 crore. (The above resolutions were adopted unanimously)

Postal Ballot
During the year ended 31st March 2013, the shareholders have not been approached for passing of any Resolution by way of Postal Ballot.

Compliance

Mandatory Requirements
The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement.

Adoption of Non-Mandatory Requirements
Although it is not mandatory, Remuneration Committee and Investment Committee of the Board are in place. Details of the said Committees have been provided under the head "Committees of the Board" above.

Additional Shareholder Information

Annual General Meeting
Date: 24th August, 2013
Time: 11.15 a.m.
Venue: Community Centre Premises,
Dalmiapuram -621651, Dist. Tiruchirapalli,
Tamil Nadu

Financial Calendar
Financial year: 1st April, 2013 to 31st March, 2014

For the year ended 31st March 2014, results will be announced on:
- First quarter: By mid-August, 2013
- Second quarter: By mid-November, 2013
- Third quarter: By mid-February, 2014
- Fourth quarter: By end May, 2014

Book Closure
The dates of book closure are from 17th August, 2013 to 24th August 2013 inclusive of both days.

Dividend Payment
The Director have recommended payment of final dividend calculated at ₹2.00 per equity share of ₹2/- each. Such dividend shall be paid to those shareholders whose names appear on the Company's Register of Members as on 17th August, 2013. The Dividend pay out will be effected on 3rd September, 2013.

Listing
The Equity Shares is listed on the following Stock Exchanges:

a) The Madras Stock Exchange Limited,
Exchange Building,
Post Box No. 183,
11, Second Line Beach,
Chennai - 600001.

b) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

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

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

The company has not issued any debentures.

Stock Market Data

Table 1, 2, Chart A and Chart B gives details

Table 1: High, lows of Company's shares for 2012-13 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2012	149.85	126.05	128.30	152.00	111.25	128.20
May, 2012	132.00	101.50	103.40	130.90	100.10	105.65
June, 2012	113.00	92.00	112.95	112.20	92.40	111.00
July, 2012	119.00	108.05	113.50	119.75	108.55	113.05
August, 2012	133.00	113.00	120.70	133.00	111.10	120.10
September, 2012	174.60	116.00	171.20	175.10	118.05	170.85
October, 2012	182.95	146.00	159.00	176.00	149.95	161.00
November, 2012	169.70	140.45	147.00	163.90	141.30	144.55
December, 2012	199.95	140.00	176.30	199.20	140.65	179.10
January, 2013	204.00	173.00	177.10	205.00	173.80	177.50
February, 2013	186.30	147.05	159.10	187.00	145.00	163.45
March, 2013	179.50	140.00	148.35	173.50	137.55	146.05

Table 2: Stock Performance over past 5 years

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
FY 2012-13	103	2	8	7	95	-5
2 years	-20	-21	-3	-3	-17	-18
3 years *	N/A	N/A	N/A	N/A	N/A	N/A
5 years *	N/A	N/A	N/A	N/A	N/A	N/A

* Not Applicable as the Company's shares were listed on 27th January 2011.

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

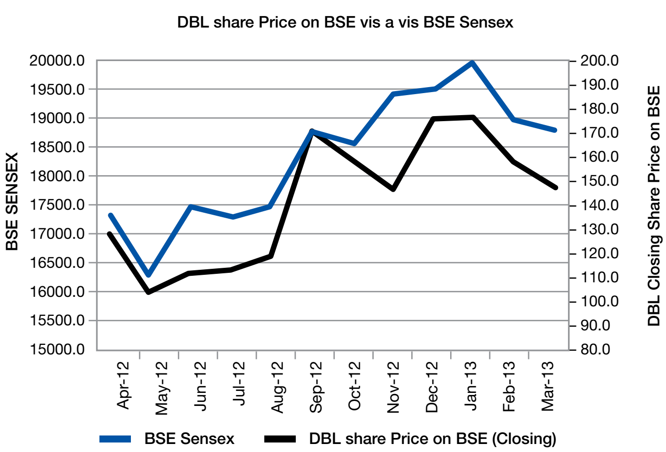
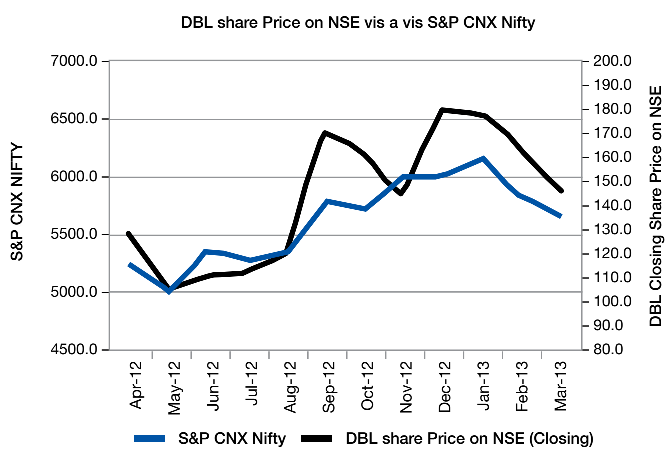


Chart B:
The Company's Share Performance versus NIFTY



Distribution of Shareholding

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March 2013.

Table 3: Shareholding Pattern by size

S. No.	No of Equity shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	8790	73.07	1186556	1.46
2	501 - 1000	1249	10.38	951878	1.17
3	1001 - 2000	978	8.13	1461150	1.80
4	2001 - 3000	349	2.90	880141	1.08
5	3001 - 4000	178	1.48	642310	0.79
6	4001 - 5000	104	0.86	472593	0.58
7	5001 - 10000	192	1.60	1330652	1.64
8	10001 and above	189	1.57	74264023	91.47
	Total	**12029**	**100.00**	**81189303**	**100.00**

Table 4: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters @	20	0.17	7280738	8.97
Promoters Bodies Corporate @	28	0.23	43702603	53.83
Central/State Governments	4	0.03	128155	0.16
Financial Institutions	2	0.02	1601246	1.97
Mutual Funds	5	0.04	278859	0.34
Foreign Institutional Investors	20	0.17	7046393	8.68
Insurance Companies	2	0.02	708914	0.87
Bodies Corporate	329	2.74	1846375	2.27
Overseas Corporate Bodies	-	-	-	-
Foreign Corporate Bodies	2	0.02	4470588	5.51
NRI/Foreign Nationals	182	1.51	183762	0.23
Individuals/Others	11435	95.06	13941670	17.17
Total	**12029**	**100.00**	**81189303**	**100.00**

Note: @ The Promoters have not pledged the shares of the Company against any loan drawn by them. This disclosure may be treated as a disclosure as required under Clause 35 of the Listing Agreement and under Regulation 31 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

Dematerialisation of Shares

As on 31st March 2013, 96.01% shares of the Company were held in the dematerialised form. The Promoters of the Company hold their entire shareholding in dematerialised form.

Outstanding GDRs/ADRs/Warrants/Options

Nil

Details of Public Funding Obtained in the last three years

Nil

Registrar and Transfer Agent

For Equity Shares:

Karvy Computershare Private Limited,
Plot Nos. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500081.

Share Transfer System

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

Registered Office Address

Dalmia Bharat Limited
Dalmiapuram -621651,
Dist. Tiruchirapalli,
Tamil Nadu
Phone: 04329 – 235131
Fax: 04329 235111

Address for Correspondence

Dalmia Bharat Limited
Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235131
Fax: 04329 235111

Auditor's Certificate on Corporate Governance

To the Members,

Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Limited)

We have reviewed the implementation of Corporate Governance procedures by **Dalmia Bharat Limited** (formerly known as Dalmia Bharat Enterprises Limited) ('the Company') during the year ended March 31, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause in listing agreement.

We further state that such compliance in 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.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

Arun K. Tulsian
Partner
Membership No. 089907

Place: New Delhi
Dated: May 30, 2013

To

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

Dear Sirs,

I do hereby certify that the all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on 11-02-2011.

This certificate is being given in compliance with the requirements of Clause 49 (I) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges.

Dated: 30-5-2013
Place: New Delhi

Y. H. Dalmia
Chief Executive Officer

CEO/CFO Certification

To

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

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statements as at 31st March, 2013 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 read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

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

3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company 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 to the Auditors and the Audit Committee:

   (i) Significant changes in internal control 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.

Dated: 30-5-2013	**Jayesh Doshi**	**Y. H. Dalmia**
Place: New Delhi	Chief Financial Officer	Chief Executive Officer

Independent Auditors' Report

To
The Members of
Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Limited)

Report On the Financial Statements

We have audited the accompanying Financial Statements of Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Limited) ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Limited) ('the Company')

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

(b) All fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification as compared to book records.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except stocks lying with third parties and in transit which have been verified with reference to correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of such verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has granted unsecured loan to a company which is covered under the register maintained under section 301 of the Act. Apart from this loan, the company has not granted any other loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Act. The maximum balance outstanding during the year was ₹68.00crore. The year-end balance of such loan is ₹45.00 crore.

(c) In our opinion, the rate of interest and other terms & conditions of such loan are not, prima facie, prejudicial to the interest of the company.

(d) In respect of the aforesaid loans, the Company was regular in receipt of interest as per stipulations. We are explained that this loan is repayable on demand and, therefore, there are no overdue amounts at the year end.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit carried out in accordance with the generally accepted auditing practices in India, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five lakhs in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The company has not accepted any fixed deposits from public to which the provisions of Section 58A and Section 58AA or any other relevant provisions of the Act including the Rules framed there under apply.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed Rules for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for any of the company's activities.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, Cess have generally been regularly deposited during the year with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employee's state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other such undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and as per the books and records examined by us, there are no dues in respect of Income Tax, Custom Duty, Wealth Tax, Excise Duty, Sales Tax, Service Tax and Cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.

(xv) The Company has not given any guarantees against loans taken by others from banks & financial institutions.

(xvi) In our opinion and on the basis of information and explanations given to us, the company has not raised any term loan during the financial year, hence the related reporting requirement of the Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) The Company has not issued any debentures during the year nor are there any debentures outstanding at the end of the year.

(xx) During the period covered by our audit report, the company has not raised any money by way of public issue.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

Balance Sheet
as at March 31, 2013

(₹ Crore)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	16.24	16.24
Reserves and Surplus	3	523.94	497.69
		540.18	**513.93**
Non- Current Liabilities			
Other Long Term Liabilities	4	0.20	-
Long term provisions	5	4.63	3.60
Deferred Tax Liability	6	0.52	0.18
Current Liabilities			
Short-term borrowings	7	1.41	4.20
Trade payables	8	33.98	29.76
Other current liabilities	9	9.54	3.81
Short-term provisions	10	19.40	16.24
		64.33	**54.01**
Total		**609.86**	**571.72**
ASSETS			
Non-current assets			
Fixed Assets	11		
Tangible assets		8.47	7.42
Intangible assets		0.13	0.14
Capital work in progress		-	-
		8.60	**7.56**
Non-current Investments	12	258.20	279.74
Long term loans and advances	13	57.07	56.71
Current Assets			
Current investments	14	111.12	70.82
Inventories	15	20.89	32.26
Trade Receivables	16	59.77	13.21
Cash and Cash equivalents	17	1.84	15.92
Short-term loans and advances	18	92.37	95.50
		285.99	**227.71**
Total		**609.86**	**571.72**
Significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the board of Directors of
Dalmia Bharat Limited

per Arun K. Tulsian
Partner
Membership No.: 089907

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Place : New Delhi
Date : May 30, 2013

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2013

(₹ Crore)

	Notes		For the year ended March 31, 2013		For the year ended March 31, 2012
Income					
Revenue from operations (Gross)	19		190.60		156.79
Less: Excise Duty			-		-
Revenue from operations (Net)			**190.60**		**156.79**
Other income	20		32.45		24.57
Total			**223.05**		**181.36**
Expenses					
Consumption of Raw materials	21		43.95		45.36
Purchase of traded goods			1.14		2.85
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	22		2.02		(2.89)
Employee benefit expenses	23		61.73		39.50
Other Expenses	24		60.83		53.24
Finance Costs	25		0.11		0.31
Depreciation and amortization expenses	11		1.65		1.30
Total			**171.43**		**139.67**
Profit before tax			**51.62**		**41.69**
Provision for Taxation					
Current tax		9.78		9.16	
MAT Credit (Entitlement) / Charge		-	9.78	0.14	9.30
Deferred Tax			0.34		(0.28)
Prior year tax charge			0.17		0.27
Total Tax Expense			**10.29**		**9.29**
Profit after Tax			**41.33**		**32.40**
Earning per Share	26				
Basic and Diluted Earnings Per Share (In ₹)			5.09		3.99
[Nominal Value of Share ₹2 (₹2) each]					
Significant accounting policies	1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Cash Flow Statement

for the year ended March 31, 2013

(₹ Crore)

	Particulars	2012-13	2011-12
A	Cash Flow from Operating Activities		
	Net Profit before tax	**51.62**	**41.69**
	Adjustments		-
	Depreciation / Amortization	1.65	1.30
	Dividend Income	(15.11)	(0.56)
	Finance Costs	0.11	0.31
	Interest Income	(7.21)	(7.76)
	(Profit)/Loss on sale of Investments	(3.26)	(15.85)
	Assets Written off	0.07	0.02
	Profit on Sale of Assets	(5.24)	-
	Operating Profit before working Capital Changes	**22.63**	**19.15**
	Adjustments for working Capital changes :		
	Inventories	11.37	(1.57)
	Trade Payables, Liabilities and Provisions	11.51	18.12
	Trade Receivables, Loans and Advances and Other Current Assets	(45.81)	(68.77)
	Cash Generated from Operations	**(0.30)**	**(33.07)**
	Direct Taxes Paid	(14.64)	(9.91)
	Net Cash from Operating activities	**(14.94)**	**(42.98)**
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets	(3.56)	(1.15)
	Proceeds from sale of Fixed Assets	6.02	0.04
	(Purchase)/ Sale of Current Investments (net)	(37.04)	52.12
	(Purchase) / Sale of Non Current Investments (net)	21.54	(49.22)
	Loan received back from related parties (net)	5.00	-
	Interest Received	8.94	6.30
	Dividend Received from Current Investments	3.29	0.56
	Dividend Received from Subsidiaries	11.82	-
	Net Cash from Investing Activities	**16.01**	**8.65**
C	Cash used from Financing Activities		
	Proceeds / (repayment) of Short term Borrowings	(2.79)	3.88
	Interest paid	(0.12)	(0.32)
	Dividend Paid (Including Dividend Distribution Tax)	(12.24)	(11.58)
	Net cash used in financing activities	**(15.15)**	**(8.02)**
	Net increase in cash and cash equivalents (A+B+C)	**(14.08)**	**(42.35)**
	Cash and cash equivalents (Opening Balance)	**15.92**	**58.27**
	Cash and cash equivalents (Closing Balance)	**1.84**	**15.92**
	Change in Cash & Cash Equivalents	**(14.08)**	**(42.35)**

Note:
1) Cash & cash equivalents components are as per Note 19.
2) Previous year figures have been regrouped/restated wherever considered necessary.

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Notes to Financial Statements

for the year ended 31st March, 2013

NOTE 1

Significant Accounting Policies

A. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C. Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher.

E. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

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 recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

	Rates (SLM)
Computer software	20% to 33.33%

F. Leases

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

G. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

H. Impairment of Tangible and Intangible Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

I. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

J. Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

K. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Insurance claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

L. Foreign Currency Translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency 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

All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

M. Retirement and Other Employee Benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

N. Income Taxes

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

Deferred income tax reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

O. Segment Reporting

Identification of segments

The company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

P. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Q. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

R. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

S. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with original maturity of three months or less.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

2. Share Capital

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Authorised :		
10,00,00,000 (10,00,00,000) Equity Shares of ₹2/- each	20.00	20.00
	20.00	**20.00**
Issued, Subscribed and Fully Paid Up :		
8,11,89,303 (8,11,89,303) Equity Shares of ₹2/- each	16.24	16.24
	16.24	**16.24**

a. **Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the period	8,11,89,303	16.24	8,11,89,303	16.24
At the end of the period	8,11,89,303	16.24	8,11,89,303	16.24

b. **Terms/ rights attached to Equity shares**

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

During the year ended 31 March 2013, the amount of dividend per share recognized as distribution to equity shareholders was ₹2.00 (₹1.50).

In the event of winding-up of the company, the equity shareholders shall be entitled to be repaid remaining assets of the company in the ratio of the amount of capital paid up on such equity shares.

c. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date**

	During a period of 5 years up to March 31, 2013	During a period of 5 years up to March 31, 2012
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	8,09,39,303	8,09,39,303

d. Details of shareholders holding more than 5% shares in the company

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	1,78,87,537	22.03%	1,77,36,537	21.85%
Shree Nirman Limited	65,40,130	8.06%	65,40,130	8.06%
Sita Investment Company Limited	58,76,800	7.24%	58,76,800	7.24%
Ankita Pratisthan Limited	58,29,070	7.18%	58,29,070	7.18%

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Business Restructuring Reserve		
Opening Balance as per last financial statements	469.69	469.69
	-	-
Closing Balance	**469.69**	**469.69**
General Reserve		
Opening Balance as per last financial statements	5.45	2.20
Add: Transfer from surplus balance in the statement of profit and loss	4.35	3.25
Closing Balance	**9.80**	**5.45**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	22.55	7.55
Profit for the year	41.33	32.40
	63.88	39.95
Add: Provision for Dividend distribution tax written back	1.91	-
	65.79	39.95
Less: Appropriations		
Transfer to General Reserve	4.35	3.25
Proposed Dividend	16.24	12.17
Dividend distribution tax {net of tax credit of ₹2.01 Cr (Nil) on dividend from subsidiaries}	0.75	1.98
Total Appropriations	**21.34**	**17.40**
Net Surplus in the Statement of Profit and Loss	**44.45**	**22.55**
Total Reserves and Surplus	**523.94**	**497.69**

4. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Security deposit received	0.20	-
	0.20	-

5. Long Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for leave encashment	1.51	1.02
Provision for employee benefits	3.12	2.58
	4.63	**3.60**

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

6. Deferred Tax

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	0.72	0.42
	0.72	**0.42**
Assets		
Expenses allowable for tax purpose when paid	0.17	0.19
Others	0.03	0.05
	0.20	**0.24**
Net	**0.52**	**0.18**

7. Short Term Borrowings

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
Working capital loan from Banks	1.41	4.20
	1.41	**4.20**

Working capital loans are secured by hypothecation of inventories and other assets in favour of the participating banks ranking pari-passu on inter-se basis, repayable in next one year and carry interest rate @ 11.50%

8. Trade Payables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Trade payables (Refer Note 31 of notes of financial statements)		
Micro & Small Enterprises	-	-
Others	33.98	29.76
	33.98	**29.76**

9. Other Current Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Interest accrued but not due	-	0.01
Advances from customers	1.48	2.13
Security deposit received	0.06	0.04
Directors' Commission payable	0.28	0.22
Unclaimed Dividend*	0.47	0.21
Other liabilities		
Statutory dues	6.73	1.20
Others	0.52	-
	9.54	**3.81**

* Not due for deposit in Investor Education & Protection Fund

10. Short Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for leave encashment	0.60	0.32
Provision for employee benefits	1.81	1.77
Proposed Dividend on equity shares	16.24	12.17
Dividend Distribution Tax	0.75	1.98
	19.40	**16.24**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

11. Fixed Assets

(₹ Crore)

	Tangible								Intangible	Grand Total
	Land	Land (Lease-hold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Computer Software	
Cost										
as at 1st April, 2011	0.09	1.74	6.90	2.05	2.01	1.37	3.73	17.89	0.44	18.33
Additions during the year	-	-	-	0.01	0.08	0.33	0.73	1.15	-	1.15
Deductions during the year	-	-	-	0.01	0.01	-	0.04	0.06	-	0.06
as at 31st March, 2012	**0.09**	**1.74**	**6.90**	**2.05**	**2.08**	**1.70**	**4.42**	**18.98**	**0.44**	**19.42**
Additions	-	-	-	0.25	0.15	0.70	2.30	3.40	0.14	3.54
Disposals	-	-	1.26	0.25	0.06	0.48	0.01	2.06	-	2.06
as at 31st March, 2013	**0.09**	**1.74**	**5.64**	**2.05**	**2.17**	**1.92**	**6.71**	**20.32**	**0.58**	**20.90**
Depreciation										
as at 1st April, 2011	-	1.16	3.38	1.22	1.27	0.74	2.67	10.44	0.14	10.58
Charge for the year	-	0.05	0.17	0.12	0.14	0.18	0.48	1.14	0.16	1.30
Disposals	-	-	-	-	-	-	0.02	0.02	-	0.02
as at 31st March, 2012	**-**	**1.21**	**3.55**	**1.34**	**1.41**	**0.92**	**3.13**	**11.56**	**0.30**	**11.86**
Charge for the year	-	0.06	0.16	0.13	0.12	0.25	0.78	1.50	0.15	1.65
Disposals	-	-	0.60	0.19	0.05	0.37	-	1.21	-	1.21
as at 31st March, 2013	**-**	**1.27**	**3.11**	**1.28**	**1.48**	**0.80**	**3.91**	**11.85**	**0.45**	**12.30**
Net Block										
as at 31st March, 2012	**0.09**	**0.53**	**3.35**	**0.71**	**0.67**	**0.78**	**1.29**	**7.42**	**0.14**	**7.56**
as at 31st March, 2013	**0.09**	**0.47**	**2.53**	**0.77**	**0.69**	**1.12**	**2.80**	**8.47**	**0.13**	**8.60**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

12. Non-Current Investments

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Trade				
A. Equity Shares				
Unquoted				
25 (25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)		((144))		((144))
Investments in Subsidiaries				
Equity Shares				
Unquoted				
21,50,00,000 (21,50,00,000) Shares of ₹10/- each fully paid up in Dalmia Cement (Bharat) Limited	215.64		215.64	
4,20,000 (4,20,000) Shares of ₹10/- each fully paid up in Kanika Investment Limited	2.32		2.32	
5,00,000 (5,00,000) Shares of ₹10/- each fully paid up in Dalmia Power Limited	0.50	**218.46**	0.50	**218.46**
Investment in Companies other than Subsidiaries, Non-Trade				
Equity Shares (Quoted)				
14,829,764 (Nil) Equity Shares of ₹2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		-
Equity Shares (Unquoted)				
20 (20) Shares of ₹10/- each fully paid up in Asian Refractories Limited (under liquidation)	((200))		((200))	
49,290 (49,290) Shares of ₹10/- each fully paid up in Dalmia Electrodyne Technologies (P) Limited.	1.75		1.75	
250 (250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	((2500))		((2500))	
	1.75		**1.75**	
Less: Provision for diminution in value of Investments	1.75	-	1.75	-
B. Venture Capital Fund (Unquoted)				
1,188 (1,188) Units of ₹87,500/- (₹91,500) each fully paid up in Urban Infrastructure Opportunities Fund		10.55		11.03
C. Units of Mutual Funds				
Debt Based schemes		-		50.00
D. Tax free Bonds		0.25		0.25
Total		**258.20**		**279.74**
Quoted (including mutual funds):				
Book Value		29.19		50.25
Market Value		21.12		50.48
Book Value of Unquoted Investments		229.01		229.49
Aggregate Provision for diminution in value of Investments		1.75		1.75

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

13. Long Term Loans and Advances (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Capital advances		2.02		2.00
Loans and advances				
Employees@		1.84		1.14
Related Parties		7.30		7.26
Others		34.62		40.00
Security deposit made				
Related Parties	1.25		1.25	
Others	0.82	**2.07**	0.53	**1.78**
Advance Income Tax (Net of Provision for Tax ₹19.31Cr (₹9.16 Cr))		9.22		4.53
		57.07		**56.71**
@Due from officers		1.84		1.01

14. Current Investments

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Units of Mutual Funds (Quoted)				
Debt based schemes *		99.78		61.67
Equity Shares				
Quoted				
5,20,400 (5,20,400) Shares of ₹1/- each fully paid up in Madras Cements Limited.	10.13		10.13	
50,000 (50,000) Shares of ₹10/- each fully paid up in Poddar Pigments Limited.	0.21		0.21	
12,900 (12,900) Shares of ₹10/- each fully paid up in Reliance Industries Limited	1.57		1.57	
	11.91		11.91	
Less: Provision for diminution in value of investment	0.57	**11.34**	2.76	**9.15**
Total		**111.12**		**70.82**
* Mutual Fund Units of Book Value of ₹33.36 Cr are pledged as security towards loan taken by related parties.				
Quoted (including Mutual Funds):				
Book Value		111.12		70,82
Market Value		122.68		70.93
Aggregate Provision for diminution in value of Investments		0.57		2.76

15. Inventories

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Raw Materials		
On hand	6.76	14.49
In transit	0.85	1.65
Work in Progress	1.02	0.83
Finished Goods	11.38	13.59
Stores, Spares etc		
On hand	0.88	1.70
	20.89	**32.26**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

16. Trade Receivables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
a) Receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good		
Unsecured	3.74	0.86
	3.74	**0.86**
b) Other receivables		
Considered good		
Unsecured	56.03	12.35
	59.77	**13.21**

17. Cash and Cash Equivalents

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Cash on hand	0.05	0.04
Cheques in Hand	0.08	-
Balances with Banks:		
On current accounts	1.24	15.67
Unpaid Dividend accounts	0.47	0.21
	1.84	**15.92**

18. Short Term Loans and Advances (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Loans		
Employees @	1.00	0.77
Related parties	45.00	50.00
Others	40.00	40.00
Prepaid Expenses	0.96	0.49
Interest Receivable	1.26	2.99
Advances recoverable in cash or in kind or for value to be received		
Related parties	0.01	0.15
Others	3.64	1.10
Deposits and Balances with Government Departments and other authorities	0.50	-
	92.37	95.50
@ Due from officers	0.96	0.68

19. Revenue from Operations

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of Refractory goods	73.97	76.24
Management services	105.27	69.86
Brand Fee	11.36	10.50
Other operating revenue	-	0.19
	190.60	**156.79**

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

20. Other Income

(₹ Crore)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Dividend				
from non current Investments (Subsidiary company)		11.82		-
from Current Investments		3.29		0.56
Interest Income on Bank deposits & others		7.21		7.76
Profit on sale of Investments (including provision for diminution in value of investments written back)	3.32		15.85	
Less: Loss on Sale of Investment (including provision for diminution in value of investments)	0.06	**3.26**	-	**15.85**
Exchange Fluctuation		-		0.05
Profit on sale of Fixed Assets		5.23		-
Miscellaneous Receipts		1.64		0.35
		32.45		**24.57**

21. Consumption of Raw Materials

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Bauxite	31.57	30.25
Others	12.38	15.11
Total	**43.95**	**45.36**

22. (Increase)/ Decrease in Inventories of Finished Goods, Work in Progress and Traded Goods

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Finished Goods (Refractory)		
Closing stock	11.38	13.59
Opening stock	13.59	11.18
	2.21	**(2.41)**
Work-in-Process		
Closing stock	1.02	0.83
Opening stock	0.83	0.35
	(0.19)	**(0.48)**
(Increase) / Decrease	**2.02**	**(2.89)**

23. Employee Benefit Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages and Bonus	56.18	35.73
Contribution to Provident Fund and Other Funds	3.28	2.03
Workmen and Staff Welfare expenses	2.27	1.74
	61.73	**39.50**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

24. Other Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and Fuel	3.84	3.95
Processing Charges	20.54	22.81
Repairs and Maintenance :		
Buildings	-	-
Rent	2.05	1.89
Freight Charges	0.96	0.85
Charity and Donation	0.01	0.01
Professional Charges	6.70	6.12
Insurance	0.54	0.44
Rates and Taxes	0.26	0.31
Travelling Expenses	4.14	5.33
Computer Expenses	6.27	1.65
Advertisement and Publicity Expenses	2.09	0.17
Excise duty variation on opening/closing inventories	-0.26	0.35
Exchange loss	0.27	-
Miscellaneous Expenses	13.42	9.36
	60.83	**53.24**

25. Finance Costs

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest on borrowing from banks	0.11	0.04
Other borrowing cost	-	0.27
	0.11	**0.31**

26. Earning Per Share

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit for calculation of basic and diluted EPS (₹ Crore)	41.33	32.40
Total number of equity shares outstanding at the end of the year	8,11,89,303	8,11,89,303
Weighted average number of equity shares in calculating basic and diluted EPS	8,11,89,303	8,11,89,303
Basic and Diluted EPS (₹)	5.09	3.99

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

27. Contingent Liabilities (not provided for) in Respect of:

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	-	0.45

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

28. Capital and Other Commitment

(₹ Crore)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	0.27
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

29. Remuneration Paid to Auditors (Included in Miscellaneous Expenses):

(₹ Crore)

Particulars	2012-13	2011-12
Statutory auditors		
i) Audit Fee	0.05	0.02
ii) Other Services	0.04	0.02
ii) For Expenses	-	-

30. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

31. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the company.

(₹ Crore)

Particulars	2012-13	2011-12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

(₹ Crore)

Particulars	2012-13	2011-12
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

32. Particulars of Forward Contracts Outstanding at the Balance Sheet date:

Forward contract outstanding as at Balance Sheet date:

Particulars	Currency	Amount in Foreign Currency	Amount (₹ Crore)	Purpose
Buy	USD	- (1,533,534)	- (7.82)	To hedge the import creditors for Raw Material.
Total	**USD**	- (1,533,534)	- (7.82)	

Particulars of Unhedged Foreign Currency Exposure:

Particulars	Amount in Foreign Currency	Amount (₹ Crore)
Purchase of Raw Materials	USD 1,441,547 (USD 1,331,081) (Closing rate 1 USD =₹54.90 (₹51.49))	7.91 (6.85)

Additional information pursuant to the provisions of Part II of revised schedule VI to the Companies Act, 1956:

33. CIF Value of Imports

(₹ Crore)

Particulars	2012-13	2011-12
Raw Material	**16.59**	**20.99**

34. Expenditure in Foreign Currency (Accrual basis):

(₹ Crore)

Particulars	2012-13	2011-12
Professional Fees, Consultant Fee and Interest	0.16	-
Others	0.31	0.26
Total	**0.47**	**0.26**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

35. Earnings in Foreign Currency (Accrual basis):

(₹ Crore)

Particulars	2012-13	2011-12
Export of goods at FOB value	4.43	3.60
Total	**4.43**	**3.60**

36. Details Regarding Imported and Indigenous Materials Consumed During the Year:

	Imported		Indigenous		Value of total consumption
	Value (₹ Crore)	Percentage to total consumption	Value (₹ Crore)	Percentage to total consumption	(₹ Crore)
Raw Materials	16.78	38.18	27.17	61.82	**43.95**
	(27.09)	(59.73)	(18.27)	(40.27)	**(45.36)**

37. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing AS 15, Employee Benefit (Revised 2005) issued by the Accounting Standards Board (ASB), provident funds set up by the employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan.

Actuarial valuation for Provident Fund was carried out in accordance with the Guidance Note issued by the Actuarial Society of India, and accordingly, the Company has provided shortfall in provident fund liability in the books.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	0.73	0.46	0.52	0.55
Interest cost	0.20	0.16	-	-
Expected return on plan assets	(0.23)	(0.22)	-	-
Net actuarial (gain)/ Loss	0.35	0.06	-	-
Total Expenses	**1.05**	**0.46**	**0.52**	**0.55**
Actual return on plan assets	0.22	0.22	-	-

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Present value of obligation as at year-end	3.69	2.59	8.76	7.46
Fair value of plan assets as at year-end	3.54	2.50	8.83	7.42
Funded status {(Surplus/(Deficit)}	(0.15)	(0.09)	0.07	(0.04)
Net Asset/(Liability) as at year end	**(0.15)**	**(0.09)**	**0.07**	**(0.04)**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening defined benefit obligation	2.59	2.02	7.46	7.85
Interest Cost	0.21	0.16	0.63	0.67
Contribution by plan participation / employees	-	-	0.67	0.19
Current service cost	0.73	0.46	0.52	0.55
Actuarial (gains)/ losses on obligation	0.34	0.05	(0.04)	(0.25)
Benefits paid	(0.18)	(0.10)	(0.50)	(2.05)
Settlements / Transfer in	-	-	0.02	0.50
Closing defined benefit obligation	**3.69**	**2.59**	**8.76**	**7.46**

Changes in the fair value of plan assets are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening fair value of plan assets	2.50	2.35	7.42	7.67
Expected return on plan assets	0.23	0.22	0.63	0.65
Contribution by employer	1.00	0.03	0.52	0.55
Contribution by plan participant / employee		-	0.67	0.19
Benefit paid	(0.18)	(0.10)	(0.50)	(2.05)
Settlements / Transfer in		-	0.02	0.50
Actuarial gains/ (losses) on plan assets	(0.01)	-	0.07	(0.09)
Closing fair value of plan assets	**3.54**	**2.50**	**8.83**	**7.42**

Company expects to contribute ₹1.20 Cr (₹0.45 Cr) to gratuity in 2013-14.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Qualifying Insurance Policy	100%	100%	-	
Govt. securities and financial securities as defined under Income Tax rules/ PF rules	-	-	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Discount Rate	8.00%	8.00%	8.50%	8.00%
Expected rate of return on assets	9.25%	9.25%	-	-
Mortality Table	IALM (1994-96)	LIC (1994-96)	IALM (1994-96)	LIC (1994-96)
Salary Escalation	7.00%	7.00%	-	-

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

Amounts for the current and previous years in respect of defined benefit plans are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)			PF Trust (Funded)	
	2012-13	2011-12	2010-11	2012-13	2011-12
Defined benefit obligation	3.69	2.59	2.02	8.76	7.46
Plan assets	3.54	2.50	2.35	8.83	7.42
Surplus/ (deficit)	(0.15)	(0.09)	0.33	0.07	(0.04)
Experience adjustment on plan asset (Loss) / Gain	(0.01)	-	0.15	-	-
Experience adjustment on plan liabilities (Loss) / Gain	(0.34)	(0.05)	(0.14)	-	-

As AS-15 is applicable from the financial year 2010-11, the above disclosure as required under para 120(n) has been made prospectively from the yearit became applicable on the company.

Provident and other funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2012-13	2011-12
Provided Fund / Pension Fund/Superannuation funds	2.20	1.42

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

38. The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The two identified reportable segments are Refractory, Management services. As the export turnover is insignificant in comparison to total turnover, there are no reportable geographical segments.

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17:

(₹ Crore)

Segment Particulars	Refractory	Management Services	Others	Total
Revenue				
Gross Revenue	**73.97**	**118.12**	**-**	**192.09**
	(76.43)	(81.79)	(-)	(158.22)
Less: Inter Segment Revenue	-	1.49	-	1.49
	(-)	(1.43)	(-)	(1.43)
Net Revenue	**73.97**	**116.63**	**-**	**190.60**
	(76.43)	(80.36)	(-)	(156.79)
Results				
Segment result	(3.38)	29.50	0.03	26.15
	(1.39)	(19.22)	(-)	(17.83)
Less: Finance Cost				0.11
				(0.31)
Add: Other unallocable income net of unallocable expenditure				25.58
				(24.17)
Profit before tax				51.62
				(41.69)
Tax expense				10.29
				(9.29)
Profit after tax				41.33
				(32.40)
Assets	**35.74**	**195.21**	**0.38**	**231.33**
	(45.31)	(170.90)	(0.42)	(216.63)
Non Segments Assets				378.53
				(355.09)
Total Assets				**609.86**
				(571.72)
Liabilities	**16.96**	**35.21**	**0.01**	**52.18**
	(23.57)	(15.69)	(0.01)	(39.27)
Non Segments liabilities				17.50
				(18.51)
Total Liabilities				**69.68**
				(57.78)
Depreciation	**-**	**1.64**	**0.01**	**1.65**
	(-)	(1.29)	(0.01)	(1.30)
Capital Expenditure	**-**	**3.54**	**-**	**3.54**
	(-)	(1.15)	(-)	(1.15)

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

39. Related Party Disclosure as required by Accounting Standard-18.

a. List of related parties along with nature and volume of transactions is given below:

Subsidiaries of the Company
Dalmia Cement (Bharat) Limited, Dalmia Power Limited and Kanika Investment Limited,

Subsidiaries of Dalmia Cement (Bharat) Limited
Arjuna Brokers & Minerals Limited, Dalmia Cement Ventures Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Ishita Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Adhunik Cement Limited and Calcom Cement (India) Limited

Step down Subsidiaries of Dalmia Cement Ventures Limited
Golden Hills Resort Private Limited and Rajputana Properties Private Limited

Step down Subsidiaries of Dalmia Minerals & Properties Limited
Cosmos Cements Limited and Sutnga Mines Private Limited

Step down subsidiary of Adhunik Cement Limited
Adhunik MSP Cement (Assam) Limited

Step down Subsidiaries of Calcom Cement India Limited
Vinay Cements Limited, RCL Cements Limited and SCL Cements Limited

Subsidiary of Dalmia Power Limited
DCB Power Ventures Limited

Associate of the Subsidiary Company Dalmia Cement (Bharat) Limited.
OCL India Limited

Joint Ventures of the Subsidiary Company Dalmia Cement (Bharat) Limited
Khappa Coal Company Private Limited

Key Management Personnel of the Company
Shri Jai Hari Dalmia – Managing Director, Shri Yadu Hari Dalmia-Managing Director, Shri Gautam Dalmia- Director, Shri Puneet Yadu Dalmia – Director.

Relatives of Key Management Personnel
Shri V.H. Dalmia (Brother of Director), Shri J.H.Dalmia (HUF), Smt. Kavita Dalmia (Wife of Director), Shri Y.H. Dalmia (HUF), Smt. Bela Dalmia (Wife of Managing Director), Shri Gautam Dalmia (HUF), Smt. Anupama Dalmia (Wife of Director), Smt. Avantika Dalmia (Wife of Director), Kumari Shrutipriya Dalmia (Daughter of Managing Director), Kumari Sukeshi Dalmia (Daughter of Director), Kumari Vaidehi Dalmia (Daughter of Director), Kumari Sumana Dalmia (Daughter of Director), Kumari Avanee Dalmia (Daughter of Director), Mst. Priyang Dalmia (Son of Managing Director) Shri M.H. Dalmia, (Brother of Director) Smt. Abha Dalmia (Wife of Brother of Director) , Shri R.H. Dalmia (Brother of Director).

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

Enterprises controlled by the Key Management Personnel of the Company

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shri Nataraj Ceramic and Chemical Industries Limited, Shri Chamundeswari Minerals Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, ZipAhead.Com Limited, Alirox Abrasives Limited, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Raghu Hari Dalmia Parivar Trust, Dalmia Sugar Ventures Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Bharat Sugar and Industries Limited and New Habitat Housing Finance and Development Limited.

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

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiary Companies	Step-down Subsidiary Companies	Associate of Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	84.34	9.32	16.66	-	-	10.73	121.05
	(-)	(80.35)	(-)	(2.85)	(-)	(-)	(5.94)	(89.14)
Reimbursement of expenses – receivable	-	3.70	1.18	0.43	-	-	4.62	9.93
	(-)	(0.51)	(0.09)	(0.05)	(-)	(-)	(4.44)	(5.09)
Reimbursement of expenses– payable	-	0.78	0.07	-	-	-	7.79	8.64
	(-)	(0.36)	(-)	(-)	(-)	(-)	(7.01)	(7.37)
Purchase of goods and services	-	3.26	-	-	-	-	26.70	29.96
	(-)	(5.32)	(-)	(0.42)	(-)	(-)	(29.09)	(34.83)
Interest Received	-	0.71	-	-	-	-	2.47	3.18
	(-)	(-)	(-)	(-)	(-)	(-)	(3.73)	(3.73)
Purchase of Fixed Assets/ CWIP	-	-	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans and Advances given	-	38.27	-	-	-	-	-	38.27
	(-)	(0.45)	(-)	(-)	(-)	(-)	(166.00)	(166.45)
Loans and advances received back	-	38.08	-	-	-	-	5.00	43.08
	(-)	(0.59)	(-)	(-)	(-)	(-)	(141.00)	(141.59)
Sale of Fixed Assets	-	-	1.84	4.41	-	-	-	6.25
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Salary and Perquisites*	-	-	-	-	0.92	-	-	0.92
	(-)	(-)	(-)	(-)	(0.50)	(-)	(-)	(0.50)

(*does not includes provision made for leave encashment and gratuity as the same are determined for the company as a whole)

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹84.34 Cr (Previous Year ₹80.35 Cr), OCL India Limited ₹16.66 Cr (Previous Year ₹2.85 Cr).

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

2. Reimbursement of expenses – receivable includes transaction with Dalmia Cement (Bharat) Limited ₹3.70 Cr (Previous Year ₹0.45 Cr),Shri Nataraj Ceramic and Chemical Industries Limited ₹4.22 Cr (₹4.24 Cr).

3. Reimbursement of expenses – payable includes transaction with Shri Nataraj Ceramic and Chemical Industries Limited ₹7.73 Cr (Previous Year ₹6.96 Cr).

4. Purchase of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹3.26 Cr (Previous Year ₹5.32Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹23.70 Cr(Previous Year ₹27.96 Cr), Dalmia Bharat Sugar and Industries Limited ₹3.00 Cr (Previous Year ₹1.84 Cr).

5. Interest received includes transaction with Dalmia Cement (Bharat) Limited ₹0.71 Cr (Previous Year Nil), Dalmia Bharat Sugar and Industries Limited ₹2.47 Cr (Previous Year ₹3.73 Cr).

6. Purchase of Fixed Assets includes transaction with Dalmia Bharat Sugar and Industries Limited ₹0.04 Cr (Previous Year Nil).

7. Loan and advances given includes transaction with Dalmia Cement (Bharat) Limited ₹38.00 Cr (Previous Year Nil), Dalmia Bharat Sugar and Industries Limited ₹ Nil (Previous Year ₹166.00Cr).

8. Loans and advances received back includes transaction with Dalmia Cement (Bharat) Limited ₹38.00 Cr (Previous Year Nil), Dalmia Bharat Sugar and Industries Limited ₹5.00 Cr (Previous Year ₹141.00 Cr).

9. Sale of Fixed Assets includes transaction with OCL India Limited ₹4.41 Cr (Previous Year Nil), Adhunik Cement Limited ₹1.05 Cr (Previous Year Nil), Calcom Cements India Limited ₹0.79 Cr (Previous Year Nil).

10. Salary & Perquisites includes transaction with Sh. Jai Hari Dalmia ₹0.44 Cr (Previous Year ₹0.25 Cr), Sh. Yadu Hari Dalmia ₹0.48 Cr (Previous Year ₹0.25 Cr).

Balances outstanding at year end:

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiary Companies	Step-down Subsidiary Companies	Associate of Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loans receivable	- (-)	7.31 (7.12)	- (-)	- (-)	- (-)	- (-)	45.00 (50.00)	52.31 (57.12)
Amounts receivable	- (-)	10.29 (0.24)	12.42 (0.08)	20.75 (0.15)	- (-)	- (-)	5.11 (2.10)	48.57 (2.57)
Amounts payable	- (-)	0.61 (1.70)	- (-)	- (-)	- (-)	- (-)	4.61 (1.00)	5.22 (2.70)
Security deposit receivable	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.25 (1.25)	1.25 (1.25)

1. Loan receivable includes Dalmia Power Limited ₹7.30 Cr (Previous Year ₹7.12 Cr),Dalmia Bharat Sugar and Industries Limited ₹45.00 Cr (Previous Year ₹50.00 Cr).

2. Amount receivable includes Dalmia Cement (Bharat) Limited ₹10.29 Cr (Previous Year ₹0.18 Cr), Adhunik Cements Limited ₹6.06 Cr (Previous Year Nil), Calcom Cements India Limited ₹6.30 Cr. (Previous Year Nil), OCL India Limited ₹20.75 Cr (Previous Year Nil) Dalmia Bharat Sugar and Industries Limited ₹5.05 Cr (Previous Year Nil), Dalmia Solar Limited Nil (Previous Year ₹2.10 Cr).

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

3. Amount payable includes Dalmia Cement (Bharat) Limited ₹0.61 Cr (Previous Year ₹1.70 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹4.59 Cr. (Previous Year ₹0.80 Cr).

4. Security deposit receivable includes Shri Nataraj Ceramic and Chemical Industries Limited ₹1.25 Cr. (Previous Year ₹1.25 Cr).

40. Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and Investments by the Loanee in the shares of the Company (as required by clause 32 of listing agreement)

(₹ Crore)

Particulars	Outstanding amount as at	Maximum amount outstanding during financial year	Outstanding amount as at	Maximum amount outstanding during financial year
	2012-13	2012-13	2011-12	2011-12
Loans and Advances to subsidiary – Dalmia Power Limited.	7.30	7.30	7.12	7.12

41. Figures less than ₹ fifty thousand which are required to be shown separately have been shown at actual in double brackets.

42. **Previous Year Comparatives**

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Dalmia
Bharat Limited

Independent Auditors' Report

To
The Board of Directors,
Dalmia Bharat Limited ("Formerly known as Dalmia Bharat Enterprises Limited")

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dalmia Bharat Limited ('the Company') and its subsidiaries, associate and joint venture ("Collectively referred to as "the Dalmia Group") which comprise the Consolidated Balance Sheet as at March 31, 2013 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

We did not audit the financial statements of one Joint Venture and twenty six Subsidiaries, except three subsidiaries Dalmia Cement (Bharat) Limited, Ishita Properties Limited and DCB Power Ventures Limited, whose financial statements reflect total assets of ₹1890.80 Crore (previous year 316.93 crore) as at March 31, 2013, total revenue of ₹271.37 Crore (previous year ₹3.60 Crore) and net cash inflows amounting to ₹20.01Crore (previous year outflow ₹1.37 Crore) for the year then ended as considered in the Consolidated Financial Statements. The financial statements and other financial information of these subsidiaries and joint venture have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint venture, is based solely on the report of the other auditors.

The financial statements also include ₹72.29Crore (previous year ₹14.43Crore) being the Group's proportionate share in the net profit of associate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries and joint venture, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

a) In the case of consolidated Balance Sheet, of the consolidated state of affairs of the Dalmia Group as at March 31, 2013;

b) In the case of consolidated Statement of Profit and Loss, of the consolidated results of operations of the Dalmia Group, for the year ended on that date; and

c) In the case of consolidated Cash Flow Statement, of the consolidated cash flows of the Dalmia Group for the year ended on that date.

Emphasis of Matter

In one of the step down subsidiary companies Calcom Cement India Limited, the auditor has drawn the attention to a Note in regard to the accumulated losses of the Calcom group (Calcom Cement India Limited and its subsidiaries) of ₹332.94 crore against equity of ₹353.39 crore which indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders.

The financial statements of above said Subsidiary have been prepared under the going concern assumption owing to the mitigating factors as mentioned in Note no.49 of accompanying consolidated financial statements and consequently no adjustment has been made to the carrying values or classification of balance sheet accounts. The auditor's opinion and our opinion is not qualified in respect of this matter.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

Dalmia Bharat Limited

Consolidated Balance Sheet
as at March 31, 2013

(₹ Crore)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	16.24	16.24
Reserves and Surplus	3	3,051.69	2,873.58
		3,067.93	**2,889.82**
Preference Capital Held by others		0.70	0.70
Minority Interest		517.40	427.16
Deferred Capital Investment Subsidy		32.42	-
Non- Current Liabilities			
Long-term borrowings	4	2,990.04	1,501.52
Deferred Tax Liability (Net)	5	131.34	92.71
Other long-term liabilities	6	211.13	83.66
Long term provisions	7	27.45	14.90
Current Liabilities			
Short-term borrowings	8	292.36	225.04
Trade payables	9	325.52	159.78
Other current liabilities	10	363.91	215.26
Short-term provisions	11	38.35	16.67
		1,020.14	**616.75**
Total		**7,998.55**	**5,627.22**
ASSETS			
Non-current assets			
Goodwill on Consolidation		405.22	4.92
Fixed Assets			
Tangible assets	12	4,251.29	3,430.98
Intangible assets	12	5.60	1.83
Capital work-in-progress		550.28	116.51
		5,212.39	**3,554.24**
Non-current Investments	13	619.50	762.17
Long term loans and advances	14	606.39	187.02
Other Non-Current Assets	15	2.82	-
Current Assets			
Current Investments	16	560.85	431.34
Inventories	17	351.97	261.47
Trade Receivables	18	241.63	135.43
Cash and cash equivalents	19	99.93	66.37
Short-term loans and advances	20	298.41	225.42
Other current assets	21	4.66	3.76
		1,557.45	**1,123.79**
Total		**7,998.55**	**5,627.22**
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Statement of Consolidated Profit and Loss
for the year ended March 31, 2013

(₹ Crore)

	Notes	For the year ended March 31, 2013		For the year ended March 31, 2012	
Income					
Revenue from operations (Gross)	22		3,160.47		2,636.99
Less: Excise Duty			369.85		294.81
Revenue from operations (Net)			2,790.62		2,342.18
Other income	23		**76.94**		**75.55**
Total Revenue (I)			**2,867.56**		**2,417.73**
Expenses					
Consumption of Raw materials	24		301.26		252.22
Purchase of traded goods			1.14		2.85
(Increase)/ Decrease in inventories of finished goods, work in progress	25		(5.77)		(2.58)
Employee benefit expenses	26		197.71		143.72
Other Expenses	27		1,662.10		1,378.57
Total (II)			**2,156.44**		**1,774.78**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)			**711.12**		**642.95**
Finance Costs	28		231.43		151.28
Depreciation and amortization expenses	12		205.94		181.73
Profit before exceptional items and tax			**273.75**		**309.94**
Exceptional Item - pre-operative expenses / cenvat credit balance written off			-		39.54
Profit before tax			**273.75**		**270.40**
Tax expense					
Current tax		95.86		77.08	
MAT Credit (Entitlement) / Charge		4.54		6.11	
			100.40		**83.19**
Deferred Tax			38.63		39.62
Prior year tax charge			-5.45		0.04
Total Tax Expense			**133.58**		**122.85**
Profit after Tax before Share of Profit in Associates			**140.17**		**147.55**
Add: Share of Profit in Associates			**72.29**		**14.43**
Less: Share of Minority Interest			**15.35**		**18.53**
Profit after Tax			**197.11**		**143.45**
Earning per Share	29				
Basic and Diluted Earnings Per Share (In ₹)			24.28		17.67
[Nominal Value of Share ₹2 (₹2) each]					
Significant accounting policies	1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2013

(₹ Crore)

	Particulars	2012-13	2011-12
A	Cash Flow from Operating Activities		
	Net Profit before tax	**273.75**	**270.40**
	Adjustments		
	Depreciation / Amortization	205.94	181.73
	Provision for doubtful debts/ advances	1.34	0.22
	Bad Debts written off	0.02	0.28
	Dividend Income	(11.28)	(12.88)
	Finance Cost	231.43	151.28
	Interest Income	(12.40)	(16.01)
	(Profit)/Loss on sale of Investments (net)	(15.57)	(25.68)
	(Profit) on sale of Assets	(5.24)	-
	Assets Written off / Loss on Sale of Assets	0.45	5.30
	Operating Profit before working Capital Changes	**668.44**	**554.64**
	Adjustments for working Capital changes :		
	Inventories	(55.47)	36.17
	Trade Payables, Liabilities and Provisions	49.25	36.75
	Trade Receivables, Loans and Advances and other current assets	(228.96)	8.24
	Cash Generated from Operations	**433.26**	**635.80**
	Direct Taxes Paid	(101.87)	(93.75)
	Net Cash from Operating activities	**331.39**	**542.05**
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets	(374.21)	(61.50)
	Proceeds from sale of Fixed Assets	34.38	11.70
	(Purchase)/ Sale of Current Investments (net)	(113.94)	(212.66)
	(Purchase)/ Sale of Non Current Investments	175.41	(291.87)
	Acquisition of Subsidiaries	(412.92)	-
	Loan (given) / received back (net)	36.38	(150.00)
	Interest Received	13.99	14.46
	Dividend received from Subsidiary's associates	11.62	10.32
	Dividend Received from Current Investments	11.28	12.88
	Net Cash used in Investing Activities	**(618.01)**	**(666.67)**
C	Cash used from Financing Activities		
	Proceeds/ (Repayment) of Short term Borrowings	(207.33)	190.76
	Proceeds/ (Repayment) of Long term Borrowings	782.05	(291.36)
	Finance Cost	(244.49)	(151.14)
	Dividend Paid	(13.99)	(9.94)
	Dividend Distribution tax paid	(2.32)	(1.65)
	Net cash from / (used in) financing activities	**313.92**	**(263.33)**
	Net increase in cash and cash equivalents (A+B+C)	**27.30**	**(387.95)**
	Cash and cash equivalents (Opening Balance)	**66.37**	**454.32**
	Add: Additions on acquisition of Subsidiaries	**6.26**	**-**
	Cash and cash equivalents (Closing Balance)	**99.93**	**66.37**
	Change in Cash & Cash Equivalents	**27.30**	**(387.95)**

Note:

1) Cash & cash equivalents components are as per Note 19.
2) Previous year figures have been regrouped/restated wherever considered necessary.

for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013

NOTE 1
Significant Accounting Policies

A. Basis of Preparation

The consolidated financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for assets transferred and vested in the group as on April 1, 2010 pursuant to the Scheme of Arrangement which are carried at fair market value determined as on April 1, 2010.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The CFS relate to Dalmia Bharat Limited (hereinafter referred as the "Company") and its Subsidiaries, Associate and Joint Venture (hereinafter referred as the "Group").

B. Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, Associate and Joint Venture have been accounted for in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis.

1. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

2. Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

3. Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.

4. The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

5. Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The consolidated profit and loss account includes the Company's share of the result of the operations of the associate.

   Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.

6. Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

7. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.

8. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Profit and Loss Account as the profit or loss on disposal of investment in subsidiary.

9. The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2013).

C. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

D. Tangible Fixed Assets

Fixed assets, except for assets transferred and vested in the group as on April 1, 2010 pursuant to the Scheme of Arrangement, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

E. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher. The group has used the rates different from rates prescribed in Schedule XIV in the following case:-

	Rates (SLM)
Polysius Kiln	7.14%

F. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

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 recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the group's intangible assets is as below:

	Rates (SLM)
Computer software	20% to 33.33%

G. Leases

Where the group is lessee

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the group is the lessor

Leases in which the group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

H. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

I. Impairment of Tangible and Intangible Assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

J. Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.

K. Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

L. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

M. Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

finished goods includes excise duty and is determined on a weighted average basis.

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

N. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the group’s right to receive dividend is established by the reporting date.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

O. Foreign Currency Translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency 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

All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

P. Retirement and Other Employee Benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The group has no obligation, other than the contribution payable to the provident fund.

The group operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Q. Income Taxes

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

Deferred income tax reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The group recognizes MAT credit available as an asset only to the extent that 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 group recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

R. Segment Reporting

Identification of segments

The group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the group operate.

Inter-segment transfers
The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items
Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies
The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

S. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

T. Provisions

A provision is recognized when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

U. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

V. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

W. Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the group does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

2. Share Capital

(₹ Crore)

Notes	As at March 31, 2013	As at March 31, 2012
Authorised :		
10,00,00,000 (10,00,00,000) Equity Shares of ₹2/- each	20.00	20.00
	20.00	**20.00**
Issued, Subscribed and Fully Paid Up :		
8,11,89,303 (8,11,89,303) Equity Shares of ₹2/- each	16.24	16.24
	16.24	**16.24**

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the period	8,11,89,303	16.24	8,11,89,303	16.24
At the end of the period	**8,11,89,303**	**16.24**	**8,11,89,303**	**16.24**

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the equity shareholders shall be entitled to be repaid remaining assets of the company, after distribution of all preferential amounts, in the ratio of the amount of capital paid up on such equity shares.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately

	During a period of 5 years up to March 31, 2013	During a period of 5 years up to March 31, 2012
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	8,09,39,303	8,09,39,303

d. Details of shareholders holding more than 5% shares in the company

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	1,78,87,537	22.03%	1,77,36,537	21.85%
Shree Nirman Limited	65,40,130	8.06%	65,40,130	8.06%
Sita Investment Company Limited	58,76,800	7.24%	58,76,800	7.24%
Ankita Pratisthan Limited	58,29,070	7.18%	58,29,070	7.18%

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening Balance as per last financial statements	11.19	11.19
Add: Additions during the year	-	-
Closing Balance	**11.19**	**11.19**
Business Restructuring Reserve		
Opening Balance as per last financial statements	2,545.61	2,545.61
Add: Additions during the year	-	-
Closing Balance	**2,545.61**	**2,545.61**
Securities Premium Reserve		
Opening Balance as per last financial statements	458.70	458.70
Add: Premium on issue of equity shares	-	-
Less: Expenses incurred in connection with issue of fresh equity shares	-	-
Closing Balance	**458.70**	**458.70**
General Reserve		
Opening Balance as per last financial statements	5.45	2.20
Add: Transfer from surplus balance in statement of profit and loss	4.35	3.25
Closing Balance	**9.80**	**5.45**
Reserve Fund as per RBI		
Opening Balance as per last financial statements	0.03	0.03
Add: Transfer from surplus balance in statement of profit and loss	-	-
Closing Balance	**0.03**	**0.03**
Debenture Redemption Reserve		
Opening Balance as per last financial statements	58.54	48.75
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	17.29	9.79
Closing Balance	**75.83**	**58.54**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	152.29	36.03
Profit for the year	197.11	143.45
Less: Appropriations		
Transfer to Debenture Redemption Reserve	17.29	9.79
Transfer to General Reserve	4.35	3.25
Proposed Dividend on equity shares	16.24	12.17
Dividend Distribution Tax	2.76	1.98
Total Appropriations	40.64	27.19
Net Surplus in the Statement of Profit and Loss	**308.76**	**152.29**
Total Reserves and Surplus	**3,409.92**	**3,231.81**
Less: Minority interest	358.23	358.23
	3,051.69	**2,873.58**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

4. Long Term Borrowings

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Secured				
A. Redeemable Non-Convertible Debentures	456.00		280.00	
Less: Shown in current maturities of long term borrowings	54.00	402.00	24.00	256.00
B. Term Loans:				
i. From Banks	2,145.06		987.16	
Less: Shown in current maturities of long term borrowings	71.91	2,073.15	70.51	916.65
ii. From Others	458.30		256.20	
Less: Shown in current maturities of long term borrowings	7.02	451.28	-	256.20
C. Deferred Payment Liabilities	1.95	-		
Less: Shown in current maturities of long term borrowings	1.05	0.90	-	-
D. Lease Obligations towards Equipment Finance	3.35	-		
Less: Shown in current maturities of long term borrowings	3.08	0.27	-	-
(A)		2,927.60		1,428.85
Unsecured				
E. Fixed Deposits	6.54		6.56	
Less: Shown in current maturities of long term borrowings	2.29	4.25	3.18	3.38
F. Deferred payment liabilities	66.83		73.71	
Less: Shown in current maturities of long term borrowings	8.92	57.91	4.73	68.98
G. From Banks	0.31		0.33	
Less: Shown in current maturities of long term borrowings	0.03	0.28	0.02	0.31
(B)		62.44		72.67
Total long term borrowings (A+B)		2,990.04		1,501.52

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

1) Debentures referred to in A above to the extent of:

   i) 10.75%, ₹100 Cr (Nil) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018.

   ii) 11%, ₹100 Cr (Nil) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018 with a put/ call option at end of 5 years at par in January 2018 for full amount.

   iii) 9.00%, Series XB ₹28 Cr (₹40 Cr) are secured by a first pari-passu charge on whole of the movable and immovable properties (except trade receivables) of Cement unit at Dalmiapuram & redeemable in two yearly instalments of ₹12 Cr and ₹16 Cr on Dec 2013 & Dec 2014.

   iv) 8.90%, Series XA ₹28 Cr (₹40 Cr) are secured by a first pari-passu charge on whole of the movable and immovable properties (except trade receivables) of Cement unit at Dalmiapuram & redeemable in two yearly instalments of ₹12 Cr and ₹16 Cr on Dec 2013 & Dec 2014.

   v) 10.35%, Series XIII ₹100 Cr (₹100 Cr) are secured by a first pari-passu charge on the Immovable properties of Cement unit at Dalmiapuram & redeemable in three yearly equal instalments commencing from May 2014.

   vi) 9.00%, Series XI A ₹50 Cr (₹50 Cr) are secured by a first pari-passu charge on all the movable and immovable properties of Cement Unit at Dalmiapuram (except inventories and trade receivables) & redeemable in three yearly instalments in the ratio of 30:30:40 commencing from October 2013.

   vii) 8.87%, Series XI ₹50 Cr (₹50 Cr) are secured by a first pari-passu charge on all the movable and immovable properties of Cement unit at Dalmiapuram (except inventories and trade receivables) & redeemable in three yearly instalments in the ratio of 30:30:40 commencing from May 2013.

2) Term Loans from Banks referred to in B (i) above to the extent of :

   i) Libor plus 2.146% (presently 2.6218%) ₹51.17 Cr (₹58.66 Cr) are secured by way of exclusive charge on Vertical roller mills & other machineries and equipments acquired through this loan for projects at Cuddapah & Ariyalur. The Loan has been availed in foreign currency repayable in half yearly installments of USD 0.10 Cr. each till July 2017.

   ii) ₹868.72 Cr (₹891.00 Cr) are secured by exclusive first charge on land and building and hypothecation of all the fixed assets of Cement units at Cuddapah and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments for projects at Cuddapah & Ariyalur acquired under foreign currency loan at base rate plus 1.50% (present 11.25%). It is repayable within 38 unequal quarterly installment in the range of ₹11.14 Cr to ₹47.33 Cr each till Sep 2022.

   iii) Nil (₹37.50 Cr) are secured by exclusive first charge on land and building and hypothecation of all the fixed assets of Cement units at Cuddapah and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments for projects at Cuddapah & Ariyalur acquired under foreign currency loan.

   iv) ₹100.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.05% (present 11.55%). It is repayable within 6 unequal annual installment in the range of ₹5.00 Cr to ₹30.00 Cr each commencing after 2 years from 1st disbursement, i.e. Nov 2014.

   v) ₹150.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.75% (present 11.75%). It is repayable within 24 equal quarterly installments commencing from December 2016.

   vi) ₹200.00 Cr (Nil) are secured by a first charge by way of mortgage over all the immovable properties, assets and movable fixed assets of Belgaum Project and second charge on entire fixed assets of the company at base rate plus 1.50% (present 11.20%). It is repayable within 40 unequal quarterly installments in the range of ₹2.36 Cr to 23.63 Cr commencing from 18 months after Commercial operation date or 1st Jan,2017 whichever is earlier.

   vii) ₹46.95 Cr (Nil) are secured by a first charge of all the movable and immovable properties (present and future) of Adhunik Cement Limited at base rate plus TP plus 2% to 3,50% & BPLR-0.75% (present 12.75% to 14.25%). It is repayable within 16 unequal quarterly installments in the range of ₹2.87 Cr to 3.28 Cr from June, 2013.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

viii) ₹150.00 Cr (Nil) are secured by a first charge of all the movable and immovable properties (present and future) of Adhunik Cement Limited at base rate plus 1.50% (present 11.80%). It is repayable within 24 unequal quarterly installments in the range of ₹0.75 Cr to 16.50 Cr commencing from March, 2015.

ix) ₹275.34 Cr (Nil) are secured by a first charge of all the movable and immovable properties (present and future) of Adhunik Cement Limited at base rate plus 1.50% (present 11.20%). It is repayable within 32 unequal quarterly installments in the range of ₹2.09 Cr to 13.28 Cr commencing from June, 2015.

x) ₹320.40 Cr (Nil) including Funded interest term loan of ₹28.56 Cr (Nil) are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited, both present and future and a second charge on the entire current assets of Calcom Cement India Limited. These loans are also secured by the pledge of 43,848,910 equity shares of Calcom Cement India Limited held by erstwhile promoters, their relatives and two subsidiaries of Calcom Cement India Limited. The Loan is payable in unequal quarterly instalments till Sep 2021 and carry interest in the range of 4% to 12.50%.

3) Term Loans from others referred to in B (ii) above to the extent of:

i) 0.10%, ₹289.46 Cr (₹256.20 Cr) are secured by a first pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2017-18 but repayment schedule is yet to be finalised.

ii) ₹29.28 Cr (Nil) are secured by a first charge of all the movable and immovable properties (present and future) of Adhunik Cement Limited at base rate plus 3.50% to 3.65% (present 13.25% to 14.50%). It is repayable within 16 unequal quarterly installments in the range of ₹1.76 Cr to 2.20 Cr from June, 2013.

iii) ₹122.03 Cr (Nil) is secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited, both present and future and a second charge on the entire current assets of Calcom Cement India Limited. These loans are also secured by the pledge of 43,848,910 equity shares of Calcom Cement India Limited held by erstwhile promoters, their relatives and two subsidiaries of Calcom Cement India Limited. The loan is repayable in unequal quarterly instalments till September,2021 and carry interest @ 3 month Libor plus 1.25% to 2.50%. The loan has been availed in foreign currency.

iv) ₹17.53 Cr (Nil) are secured by a first charge of all the movable and immovable properties (present and future) of Calcom cement India Limited. It is repayable within unequal quarterly installments.

4) Deferred Payment Liabilities referred to in C above are secured by hypothecation of vehicles purchased aganist it and repayable in equated monthly instalments by March,2015 and carry interest in the range of 8.62% to 12.90%.

5) Finance Lease Obligation referred to in D above is secured by hypothecation of the equipment and repayable in Equated Monthly Instalments over a period of 35 to 36 months from date of finance of each equipment.

6) Fixed deposit referred to in E above to the extent of:

₹6.54 Cr (₹6.56 Cr) are repayable in next 1 month to 36 months with interest rate in the range of 9.50% to 10%.

7) Interest free, ₹66.83 Cr. (₹73.71 Cr) deferred payment liabilities referred to in D above are repayable after 10 years from date of deferrment and is payable in instalments of ₹0.05 Cr to ₹6.59 Cr till FY 2016-17.

8) Housing loans from Bank referred to in G above to the extent of ₹0.03 Cr (₹0.05 Cr) is payable at applicable interest rate in unequal monthly installment in the range of ₹0.0018 Cr to ₹0.0025 Cr each till FY 2014-15. For ₹0.28 Cr (₹0.28 Cr) repayment terms are yet to be communicated by bank.

The period and amount of default by one of its subsidiary Calcom Cement India Ltd., as on the reporting date in repayment of loans and interest are as follows:

Description	Type	₹ Cr	Period of default
Deferred payment credits under hire purchase	Instalment	0.13	Less than 90 days
Interest on Fresh Term Loan from Banks	Interest	0.27	Less than 30 days
Interest on WCTL from Banks	Interest	0.03	Less than 30 days
Interest on Funded Interest Term Loan from Banks	Interest	0.02	Less than 30 days
Interest on Foreign currency Loan	Interest	0.03	Less than 365 days
Interest on Existing Term Loan from Banks	Interest	0.38	Less than 270 days

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

5. Deferred Tax Liability (Net)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax assets/ liabilities are attributable to the following items:		
Liabilities		
Depreciation	138.01	98.89
Assets		
Expenses allowable for tax purpose when paid	1.36	1.53
Provision for doubtful debts and advances	5.25	4.56
Others	0.06	0.09
	6.67	6.18
Net	**131.34**	**92.71**

The Group has deferred tax assets (primarily representing unabsorbed depreciation and losses under income tax law) in respect of its two subsidiaries Calcom Cement India Limited and Adhunik Cement Limited. In the absence of virtual certainty that sufficient future taxable income would be available against which such deferred tax assets can be realised, the Group has not recognised deferred tax assets in respect of these companies.

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Security deposit received	87.83	80.23
Retention Money Payable	12.53	-
Purchase Consideration payable for investments	107.67	-
Other Liabilities	3.10	3.43
	211.13	**83.66**

7. Long Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Mines reclamation liability	8.31	2.21
Provision for leave encashment	6.72	3.66
Provision for employee benefits	12.42	9.03
	27.45	**14.90**

8. Short Term Borrowings

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
A. Working capital loan from Banks	69.67	16.48
B. Foreign currency loan	213.33	207.53
C. Short Term Loan From Banks and Financial Instititions	1.18	
(A)	**284.18**	**224.01**
Unsecured		
D. Fixed Deposits	0.77	1.03
E. From Others	7.41	-
(B)	8.18	1.03
Total short term borrowings (A+B)	**292.36**	**225.04**

A) Working capital loans are secured by hypothecation of inventories and other assets in favour of the participating banks ranking pari-passu on inter-se basis, repayable in next one year carry interest rate @11.50% ₹0.27 Crore (Nil) is also secured by second charge on fixed assets of Calcom Cement India Limited.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

B) Foreign currency loans have been secured against the pledge of mutual funds units held by the Group repayable in next 1 month to 7 months with Interest in the range of LIBOR Plus 0.18% to 0.40% (Presently 0.4666% to 0.6042%).

C) Short Term Loan from Bank and Financial Institutions are secured by first pari passu charge on present and future movable and immovable assets of Adhunik Cement Limited

D) Fixed deposit referred to in D above to the extent of:

₹0.77 Cr (₹1.03 Cr) are repayable in next 1 month to 1 year with interest rate in the range of 9.00% to 9.25%.

E) Loan from Others referred to in E above are payable within next 3 months to 1 year and carry interest @ 18% p.a.

9. Trade Payables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Micro & Small Enterprises	0.06	0.07
Others	325.46	159.71
	325.52	**159.78**

10. Other Current Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	145.22	102.44
Current maturities of finance lease obligations	3.08	-
Interest accrued but not due on borrowings	11.88	6.29
Interest accrued and due on borrowings	1.11	-
Advances from customers	17.10	17.06
Security deposit received	13.30	9.73
Capital Creditors	31.80	5.57
Directors' Commission payable	0.78	0.62
Unclaimed Fixed Deposits and interest theron*	0.10	0.17
Unclaimed Dividend*	0.47	0.21
Purchase Consideration payable	30.00	-
Other liabilities		
Statutory dues	88.85	51.03
Others	20.22	22.14
	363.91	**215.26**

* Not due for deposit in Investor Education & Protection Fund

11. Short Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for tax (net of advance tax ₹6.03 Cr (₹ Nil))	5.65	0.02
Provision for employee benefits	4.13	2.50
Proposed Dividend on equity shares	16.24	12.17
Dividend Distribution Tax	2.76	1.98
Other Provisions	9.57	-
	38.35	**16.67**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

12. Fixed Assets

(₹ Crore)

	Tangible									
	Own Assets									
	Land	Land (Lease hold)	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Mines Develop-ment		Total
Cost										
as at 1st April, 2011	**417.51**	**1.74**	**266.54**	**2,678.65**	**5.42**	**10.22**	**21.94**	**-**		**3,402.02**
Additions during the year	22.16	-	1.44	33.23	0.18	1.85	2.50	-		61.36
Disposals during the year	4.80	-	0.10	12.34	0.01	0.07	0.10	-		17.42
as at 31st March, 2012	**434.87**	**1.74**	**267.88**	**2,699.54**	**5.59**	**12.00**	**24.34**	**-**		**3,445.96**
Additions on acquistions	27.17	24.68	85.39	844.33	2.11	6.68	7.59	51.51		1,049.46
Additions during the year	44.63	-	19.05	81.77	0.54	2.03	4.71	14.11		166.84
Disposals during the year	21.42	-	2.96	10.25	0.35	0.61	0.10	-		35.69
as at 31st March, 2013	**485.25**	**26.42**	**369.36**	**3,615.39**	**7.89**	**20.10**	**36.54**	**65.62**		**4,626.57**
Depreciation/ Amortization										
as at 1st April, 2011	**-**	**1.16**	**10.43**	**142.54**	**1.94**	**1.67**	**5.38**			**163.12**
Charge for the year @	-	0.05	7.56	148.21	0.37	1.13	2.69			160.01
Disposals	-	-	-	0.40	-	0.01	0.02			0.43
as at 31st March, 2012	**-**	**1.21**	**17.99**	**290.35**	**2.31**	**2.79**	**8.05**		**-**	**322.70**
Additions on acquistions	-	4.46	9.54	140.05	1.03	2.62	3.54		4.64	165.88
Charge for the year @	-	0.41	8.27	165.45	0.41	1.68	3.35		1.36	180.93
Disposals	-	-	1.08	4.87	0.10	0.43	0.04			6.52
as at 31st March, 2013	**-**	**6.08**	**34.72**	**590.98**	**3.65**	**6.66**	**14.90**		**6.00**	**662.99**
Net Block										
as at 31st March, 2012	**434.87**	**0.53**	**249.89**	**2,409.19**	**3.28**	**9.21**	**16.29**		**-**	**3,123.26**
as at 31st March, 2013	**485.25**	**20.34**	**334.64**	**3,024.41**	**4.24**	**13.44**	**21.64**		**59.62**	**3,963.58**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

(₹ Crore)

	Owned Assets Leased out						Intangible			Grand Total
	Land	Building	Plant and equipment	Furniture and Fixture	Other Assets	Total	Computer software	Branding	Total	
Cost										
as at 1st April, 2011	2.30	12.15	332.98	0.06	0.03	3,749.54	4.93		4.93	3,754.47
Additions during the year			0.04	0.02	-	61.42	0.25	-	0.25	61.67
Disposals during the year	-	-	-	-	-	17.42	-	-	-	17.42
as at 31st March, 2012	2.30	12.15	333.02	0.08	0.03	3,793.54	5.18	-	5.18	3,798.72
Additions on acquistions	-	-	-	-	-	1,049.46	1.47	14.66	16.13	1,065.59
Additions during the year	-	0.04	0.19	-	-	167.07	2.40	-	2.40	169.47
Disposals during the year	-	0.01	0.17	-	-	35.87	-	-	-	35.87
as at 31st March, 2013	2.30	12.18	333.04	0.08	0.03	4,974.20	9.05	14.66	23.71	4,997.91
Depreciation/ Amortization										
as at 1st April, 2011	-	0.40	19.44	-	-	182.96	1.64	-	1.64	184.60
Charge for the year	-	0.40	19.62	-	-	180.03	1.71	-	1.71	181.74
Disposals	-	-	-	-	-	0.43	-	-	-	0.43
as at 31st March, 2012	-	0.80	39.06	-	-	362.56	3.35	-	3.35	365.91
Additions on acquistions	-	-	-	-	-	165.88	0.90	8.03	8.93	174.81
Charge for the year @	-	0.51	19.54	0.01	-	200.99	2.35	3.48	5.83	206.82
Disposals	-	-	-	-	-	6.52	-	-	-	6.52
as at 31st March, 2013	-	1.31	58.60	0.01	-	722.91	6.60	11.51	18.11	741.02
Net Block										
as at 31st March, 2012	2.30	11.35	293.96	0.08	0.03	3,430.98	1.83	-	1.83	3,432.81
as at 31st March, 2013	2.30	10.87	274.44	0.07	0.03	4,251.29	2.45	3.15	5.60	4,256.89

Notes:

@ Includes depreciation charged to other heads ₹0.88 Cr (₹ Nil)

1 Registration of leasehold land at Umrangshu amounting to ₹3.79 Cr (Nil) and land of ₹1.62 Cr (Nil) at Cuddapah in the Group's name is pending.

2. Management has decided to phase out Adhunik MSP Cement Brand, recognised under intangible assets as Branding, from the market by 30th Sep,2013 and accordingly amortised on pro-rata basis over 1 year from 1st Oct,2012 after acquring Adhunik Cement Limited.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

13. Non-Current Investments

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Trade Investments				
Equity Shares				
In Associates				
OCL India Limited* (Quoted)		514.66		453.99
Others				
Equity Shares (Quoted)		28.95		0.01
Equity Shares (Unquoted)	2.26		30.18	
Less: Provision for diminution in value of investments	1.76	**0.50**	1.76	**28.42**
Zero coupon optionally redeemable convertible debentures		59.00		59.00
Other Investments				
Units of Mutual Funds (Quoted)				
Debt based schemes		5.28		209.16
Equity based schemes		0.06		0.06
Tax Free Bonds (Quoted)		0.50		0.50
Units of Urban Infrastructure Opportunities Fund (Unquoted)		10.55		11.03
Total		**619.50**		**762.17**
Quoted (including Mutual Funds):				
Book Value		549.45		663.74
Market Value		397.76		470.93
Book Value of Unquoted Investments		70.05		98.45
Aggregate Provision for diminution in value of Investment		1.76		1.76

Notes:

* The carrying amount of investment includes Goodwill of ₹46.97 Cr.

14. Long Term Loans and Advances (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Capital advances		171.75		62.57
Security deposit made				
Related Parties	1.25		1.25	
Others	25.79	**27.04**	16.99	**18.24**
Loans and advances to:				
Employees@		1.92		1.88
Others		34.62		40.00
Advance for Purchase of Investments		81.29		-
Advances recoverable in cash or in kind or for value to be received				
Considered good		56.17		31.84
Considered doubtful	3.80		-	
Less: Provision for Doubtful advances	3.80	-	-	-
Subsidy receivable*	201.38		-	
Less: Provision for Doubtful recovery	22.49	**178.89**	-	**-**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
MAT credit entitlement	3.69	4.94
Advance Income Tax (Net of Provision for Tax ₹175.12 Cr (₹84.37 Cr))	25.64	14.71
Deposit and Balances with Government Departments and Other Authorities	25.38	12.84
	606.39	**187.02**
@includes due from officers of the Company	1.92	1.75

*Subsidy receivable includes central capital investment subsidy amounting to ₹138.90 Cr which has been cleared by pre audit team appointed by DIPP as per policy.

15. Other Non Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deposits with Original maturity of more than 12 months	2.82	-
	2.82	**-**

* includes ₹1.80 Cr (Nil) pledged with various Government authorities/ institutions.

16. Current Investments

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Non Trade				
Equity Shares (Quoted)	20.42		20.42	
Less: Provision for diminution in value of investment	4.24	**16.18**	3.92	**16.50**
Units of Mutual Funds (Quoted)				
Debt based schemes *		544.67		414.84
Total		**560.85**		**431.34**

* Mutual Fund Units of Book Value of ₹322.77 Cr are pledged against loan taken by the related parties.

Quoted		
Book Value	560.85	431.34
Market Value	606.32	435.44
Aggregate Provision for diminution in value of Investment	4.24	3.92

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

17. Inventories

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Raw Materials		
On hand	22.49	24.06
In transit	0.95	1.65
Work in Progress	30.57	37.44
Finished Goods		
On hand	62.90	32.74
In transit	5.61	7.16
Stores, Spares etc		
On hand	225.03	130.96
In transit	4.42	27.46
	351.97	**261.47**

18. Trade Receivables

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
a) Receivables outstanding for a period exceeding six months from the date they are due for payment				
Considered good				
Secured		1.21		0.96
Unsecured		16.80		3.14
Considered doubtful	41.57		14.11	
Less: Provision for Bad and Doubtful receivables	41.57	-	14.11	-
(A)		**18.01**		**4.10**
b) Other receivables				
Considered good				
Secured		69.61		60.73
Unsecured		224.31		146.08
Considered doubtful	7.08		-	
Less: Provision for Bad and Doubtful receivables	7.08	-	-	-
(B)		**293.92**		**206.81**
Trade Receivables (A+B)		**311.93**		**210.91**
Less: Provision for Rebate / Discount		70.30		75.48
		241.63		**135.43**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

19. Cash and Cash Equivalents

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Cash on hand	0.36	0.10
Cheques in Hand	13.27	13.38
Balances with Scheduled Banks :		
On current accounts	64.03	48.49
On deposit accounts *	21.59	4.03
Unpaid Dividend accounts	0.47	0.21
Other bank balances:		
Margin money (pledged with bank against bank guarantee)	0.21	0.16
	99.93	**66.37**

*** includes ₹0.78 Cr (Nil) pledged with various Government authorities/ institutions.**

20. Short Term Loans and Advances

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Secured				
Loan to Employees@		0.01		0.02
Unsecured Considered good				
Loan to				
Employees@		2.36		1.56
Related parties (Refer note 43 of notes to financial statements)		64.00		50.00
Others		40.00		85.00
Advances recoverable in cash or in kind or for value to be received				
Related parties (Refer note 43 of notes to financial statements)		0.02		0.34
Others		39.75		64.49
Considered doubtful	59.96		-	
Less: Provision for Doubtful advances	59.96	-	-	-
Prepaid Expenses		8.18		0.53
Subsidy Receivable		99.68		-
Interest receivable		3.13		4.72
Deposit and Balances with Government Departments and Other Authorities		41.28		18.76
		298.41		**225.42**
@includes due from officers of the Company		2.37		1.02

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

21. Other Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Semi Finished Capital goods lying with foreign suppliers	3.76	3.76
Material held for disposal	0.03	-
Unamortised premium on forward contracts	0.87	-
	4.66	**3.76**

22. Revenue from Operations

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Cement sales	2,948.24	2,498.49
Refractory goods sales	69.19	70.59
Management services	26.03	5.67
Power Sales	75.05	48.02
Other operating revenue	2.21	2.40
Sales Tax incentive/ VAT remission	18.97	11.82
Excise Refund	20.78	-
	3,160.47	**2,636.99**

23. Other Income

(₹ Crore)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Dividend income				
from Non-Current Investments		0.01		-
from Current Investments		11.27		12.88
Interest Income on Bank deposits & others		12.40		16.01
Profit on sale of Investments	18.19		25.68	
(including provision for diminution in value of investments written back)				
Less: Loss on Sale of Investment (including provision for diminution in value of investments)	2.62	**15.57**	-	**25.68**
Exchange Fluctuation		0.03		0.11
Miscellaneous Receipts		37.66		20.87
		76.94		**75.55**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

24. Cost of Raw Materials Consumed

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Class of product		
Limestone	140.67	115.57
Gypsum	22.81	25.76
Fly ash	69.05	50.46
Bauxite	31.57	30.25
Others	37.16	30.18
	301.26	**252.22**

25. (Increase)/ Decrease in Inventories of Finished Goods and Work in Progress

(₹ Crore)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Finished Goods				
Closing stock		68.51		39.90
Opening stock	39.90		44.49	
Add: Additions on acquisition	11.19	**51.09**	-	**44.49**
		(17.42)		4.59
Work-in-Process				
Closing stock		30.57		37.44
Opening stock	37.44		30.27	
Add: Additions on acquisition	4.78	**42.22**	-	**30.27**
		11.65		(7.17)
(Increase) / Decrease		**(5.77)**		**(2.58)**

26. Employee Benefit Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages and Bonus	170.65	122.67
Contribution to Provident Fund and Other Funds	11.62	7.07
Workmen and Staff Welfare Expenses	15.44	13.98
	197.71	**143.72**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

27. Other Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and Fuel	751.06	672.66
Processing Charges	20.54	22.81
Packing Materials	115.87	98.87
Consumption of Stores and Spare Parts	15.72	5.65
Freight Charges	412.15	317.35
Repairs and Maintenance :		
Plant & Machinery	58.48	60.40
Buildings	4.11	3.03
Rent	4.84	3.35
Rates and Taxes	10.15	3.20
Insurance	4.52	2.49
Branch Expenses	58.26	54.32
Professional Charges	31.72	21.63
Advertisement and Publicity	33.53	16.17
Rebate and Discounts	32.74	13.30
Excise duty variation on opening/closing inventories	2.98	1.17
Foreign exchange fluctuation	0.54	5.36
Miscellaneous Expenses	104.89	76.81
	1,662.10	**1,378.57**

28. Finance Costs

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest		
On term loans and debentures	168.96	133.71
On borrowing from banks	25.25	0.05
Others	2.16	7.94
Other borrowing cost	31.18	4.44
Exchange differences to the extent considered as an adjustment to borrowing cost	3.88	5.14
	231.43	**151.28**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

29. Earning Per Share

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit for calculation of basic and diluted EPS (₹ Crore)	197.11	143.45
Total number of equity shares outstanding at the end of the year	8,11,89,303	8,11,89,303
Weighted average number of equity shares in calculating basic and diluted EPS	8,11,89,303	8,11,89,303
Basic and Diluted EPS (₹)	**24.28**	**17.67**

29. A. The Group comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2013	Percentage of Ownership held as at March 31, 2012
Subsidiaries			
Dalmia Cement (Bharat) Limited (DCBL)	India	85.01%	85.01%
Kanika Investment Limited (KIL)	India	100%	100%
Dalmia Power Limited (DPL)	India	100%	100%
Subsidiaries of Dalmia Cement (Bharat) Limited			
Ishita Properties Limited (IPL)	India	100%	100%
Hemshila Properties Limited (HPL)	India	100%	100%
Geetee Estates Limited (GEL)	India	100%	100%
D.I. Properties Limited (DIPL)	India	100%	100%
Shri Rangam Properties Limited (SRPL)	India	100%	100%
Shri Radha Krishna Brokers & Holdings Limited (SRKBHL)	India	100%	100%
Arjuna Brokers & Minerals Limited (ABML)	India	100%	100%
Sri Shanmugha Mines & Minerals Limited (SHMML)	India	100%	100%
Sri Swaminatha Mines & Minerals Limited (SWMML)	India	100%	100%
Sri Subramanya Mines & Minerals Limited (SUMML)	India	100%	100%
Sri Trivikrama Mines & Properties Limited (STMPL)	India	100%	100%
Sri Dhandauthapani Mines & Minerals Limited (SDMML)	India	100%	100%
Sri Madhusudana Mines & Properties Limited (MMPL)	India	100%	100%
Dalmia Minerals & Properties Limited (DMPL)	India	100%	100%
Dalmia Cement Ventures Limited (DCVL)	India	100%	100%
Adhunik Cement Limited (ACL) (wef 28th September' 2012)	India	77.50%	Nil
Calcom Cement India Limited (CCIL) (wef 30th November'2012)	India	75.63%	Nil
Step down subsidiaries of Dalmia Cement (Bharat) Limited			
Golden Hills Resorts Private Limited (GHRPL) (subsidiary of Dalmia Cement Ventures Limited)	India	100%	100%
Rajputana Properties Private Limited (RPPL) (subsidiary of Dalmia Cement Ventures Limited)	India	100%	100%

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2013	Percentage of Ownership held as at March 31, 2012
Cosmos Cements Limited (CCL) (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Sutnga Mines Private Limited (SMPL) (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Adhunik MSP Cement (Assam) Limited (subsidiary of Adhunik Cement Limited) (wef 28th September'2012)	India	100%	Nil
Vinay Cements Limited (subsidiary of Calcom Cement India Limited) (wef 30th November'2012)	India	97.21%	Nil
RCL Cements Limited (subsidiary of Vinay Cements Limited) (wef 30th November'2012)	India	100%	Nil
SCL Cements Limited (subsidiary of Vinay Cements Limited) (wef 30th November'2012)	India	100%	Nil
Step down subsidiary of Dalmia Power Limited			
DCB Power Venture Limited (DCBPVL) # (subsidiary of Dalmia Power Limited)	India	100%	100%
Associates of Dalmia Cement (Bharat) Limited			
OCL India Limited (OCL)	India	45.37%	45.37%
Joint Venture of Dalmia Cement (Bharat) Limited			
Khappa Coal Company Private Limited (KCCPL)	India	36.73%	36.73%

\# The share capital in DCB Power Venture Limited is held 74% by Dalmia Power Limited and 26% by Dalmia Cement (Bharat) Limited.

30. Contingent liabilities (not provided for) in respect of:

Parent Company (₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	-	0.45

Subsidiaries (₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	68.23	44.62
b)	Demand raised by following authorities in dispute:		
	Excise& Service tax	136.11	107.85
	Other tax matters	12.10	2.45
c)	Guarantees/Counter Guarantees given to banks on account of guarantees issued by the banks to Bodies Corporate	9.93	4.00
	Total	**226.37**	**158.92**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

Joint Venture (₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Bank Guarantee issued to Ministry of Coal	1.43	1.43

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors etc, the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

31. The Company's Subsidiary Dalmia Cement (Bharat) Limited has received summons from the Court of Principal Special Judge for CBI cases Hyderabad, under Section 120(b) read with Section 420 of IPC. The detailed Charge Sheet and other related papers from the Court are yet to be received. As per information available on record, the investigation was going on with regard to the following two matters:

1) its Investments in Bharthi Cement, and
2) Acquisition of Eswar Cements Pvt. Ltd.

As against the allegations that these investments were made for the benefit of one individual in Power, both the above investments were genuine investments made by the Company's Subsidiary as permitted under its Memorandum & Articles of Association and duly approved by the Board of Directors.

32. Capital and Other Commitment

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	In respect of Parent	-	0.27
	In respect of Subsidiaries	593.47	145.63
b)	Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)		
	In respect of Parent	-	-
	In respect of Subsidiaries	69.52	85.45
c)	In respect of Subsidiaries : Export Obligation on import of equipment's and spare parts under EPCG - Scheme	257.19	-

33. Remuneration Paid to Auditors (included in Miscellaneous Expenses):

(₹ Crore)

Particulars	2012-13	2011-12
Statutory auditors		
a) as an auditor		
i) Statutory audit fee	0.30	0.24
ii) Tax audit fee	0.03	0.06
iii) Limited review	0.14	0.20
In other capacity		
i) Company law matter	0.06	0.01
ii) Management Services	0.04	-
iii) Certification fee	0.02	0.02

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

(₹ Crore)

Particulars	2012-13	2011-12
Reimbursement of expenses	0.11	0.11
Cost Auditor		
a) Audit Fee	0.01	0.01
b) For Expenses	-	-

34. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

35. Goodwill in the Balance Sheet as per the details given below represents goodwill of subsidiaries. Such Goodwill had been tested for impairment by the management and no amortisation is required for the same.

(₹ Crore)

Particulars	2012-13	2011-12
Subsidiaries		
Golden Hills Resorts Private Limited	4.00	4.00
Rajputana Properties Private Limited	0.24	0.24
Ishita Properties Limited	0.47	0.47
Arjuna Brokers & Minerals Limited	0.01	0.01
Sri Shanamugha Mines & Minerals Limited	0.01	0.01
Dalmia Minerals & Properties Limited	0.10	0.10
Dalmia Cement Ventures Limited	0.03	0.03
Dalmia Power Limited	0.06	0.06
Adhunik Cement Limited	186.40	-
Calcom Cement India Limited	213.90	-
Total	**405.22**	**4.92**

36. Operating Lease

Assets taken on lease

The group has entered into cancellable lease agreements with an average life of between one to five years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the group by entering into these leases.

(₹ Crore)

Particulars	2012-13	2011-12
Lease payments for the year	10.68	10.39
Total	**10.68**	**10.39**

Assets given on lease

The group has leased out building, plant and machinery etc. on operating lease. In one of the leases, lease term is for 10 years and thereafter not renewable. There is no escalation clause in this lease agreement. There are no restrictions imposed by lease arrangements.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

There are no uncollectible minimum lease payments receivable at the balance sheet date

(₹ Crore)

Future Minimum Lease Receipts	2012-13	2011-12
Not later than one year	2.21	2.21
Later than one year and not later than five years	2.10	4.31
Later than five years	-	-
Total	**4.31**	**6.52**

37. Particulars of Forward Contracts outstanding and Unhedged Foreign Currency Exposure as at the Balance Sheet date:

Forward contract outstanding as at Balance Sheet date:

Particulars	Currency	Amount in Foreign Currency	Amount (₹ Crore)	Purpose
Buy	Euro	4,34,400 (47,900)	3.28 (0.32)	To hedge the import payables for Spare Parts.
Total	**Euro**	**4,34,400 (47,900)**	**3.28 (0.32)**	
Buy	GBP	- (57,804)	- (0.46)	To hedge the import payables for Spare Parts.
Total	**GBP**	**- (57,804)**	**- (0.46)**	
Buy	USD	- (918,000)	- (4.60)	To hedge the import payables for capital goods.
Buy	USD	11,721,094 (14,464,800)	66.66 (72.08)	To hedge the import payables for Coal and spare parts.
Buy	USD	- (36,949,536)	- (192.60)	To hedge the repayment of principal and interest foreign currency loans.
Buy	USD	- (1,533,534)	- (7.82)	To hedge the import payables for raw material.
Total	**USD**	**11,721,094 (53,865,870)**	**66.66 (277.10)**	

Particulars of unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (₹ Crore)
Foreign currency loans	USD 59,354,017 (USD 15,110,511) (Closing rate 1 USD =₹54.355 (₹51.49))	322.70 (77.80)
Trade Payables for Coal	USD 4,800,656 (Nil) (Closing rate 1 USD = ₹54.355(₹51.49))	26.09 (-)
Trade Payables for Packing Bags	USD 70,100 (Nil) (Closing rate 1 USD = ₹54.355 (₹51.49))	0.38 (-)
Trade Payables for Raw Materials	USD 1,441,547 (USD 1,331,081) (Closing rate 1 USD = ₹54.90 (₹51.49))	7.91 (6.85)
Payables for Capital Goods	EURO 868,357 (Nil) (Closing rate 1 EURO = ₹70.51 (N.A))	6.12 (-)
Payables for Purchase of Spare Parts	EURO 2,262 (Nil) (Closing rate 1 EURO = ₹70.51 (N.A.))	0.02 (-)
Trade Receivables for Export Sales	USD 37,957 (Nil) (Closing rate 1 USD = ₹54.355 (₹51.49))	0.21 (-)

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

38. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance Group in the form of a qualifying insurance policy.

Provident Fund

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing AS 15, Employee Benefit (Revised 2005) issued by the Accounting Standards Board (ASB), provident funds set up by the employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan.

Actuarial valuation for Provident Fund was carried out in accordance with the Guidance Note issued by the Actuarial Society of India, and accordingly, the Group has provided shortfall in provident fund liability in the books.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	3.77	1.61	1.11	1.22
Interest cost on benefit obligation	1.19	0.91	0.65	0.57
Expected return on plan assets	(1.38)	(1.29)	(0.65)	0.57
Net actuarial (gain)/ Loss recognized in the year	1.40	0.01	0.06	(0.01)
Net Benefit Expense	**4.98**	**1.24**	**1.17**	**1.22**
Actual return on plan assets	1.35	1.29	-	-

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Present value of defined benefit obligation as at year-end	19.86	13.65	15.97	15.09
Fair value of plan assets as at year-end	18.29	14.72	15.95	15.01
Funded status {(Surplus/(Deficit)}	(1.57)	1.07	(0.05)	(0.08)
Net Asset/(Liability) as at year end	**(1.57)**	**1.07**	**(0.05)**	**(0.08)**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening defined benefit obligation	13.65	11.51	15.09	14.69
Contribution by plan participation / employees	-	-	1.39	0.86
Acquisition adjustments	1.47	-	-	-
Current service cost	3.80	1.61	1.11	1.22
Interest Cost	1.17	0.92	1.28	1.25
Benefits paid out of funds	(1.16)	(0.38)	(2.86)	(3.41)
Actuarial (gains)/ losses on obligation	1.37	(0.01)	(0.04)	(0.38)
Settlements / Transfer in	-	-	0.02	0.86
Closing defined benefit obligation	**20.29**	**13.65**	**16.00**	**15.09**

Changes in the fair value of plan assets are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening fair value of plan assets	14.72	13.78	15.01	14.34
Contribution by plan participation / employees	-	-	1.39	0.86
Expected return on plan assets	1.36	1.29	1.28	1.22
Contribution by employer	3.00	0.03	1.11	1.22
Benefits paid	(0.78)	(0.38)	(2.86)	(3.41)
Actuarial gains/ (losses) on obligation	(0.01)	-	-	(0.08)
Settlements / Transfer in	-	-	0.02	0.86
Closing fair value of plan assets	**18.29**	**14.72**	**15.95**	**15.01**

The Group expects to contribute ₹4.26 Cr (₹1.18Cr) to gratuity and ₹0.70 Cr (₹0.78 Cr) to PF trust in 2013-14

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Qualifying Insurance Policy	100%	100%	-	
Govt. securities and financial securities as defined under Income Tax rules/ PF rules	-	-	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

The principal assumptions used in determining defined benefit plans for the Group are shown below:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Discount Rate	8.00%	8.00%	8.50%	8.00%
Expected rate of return on assets	9.25% to 9.40%	9.25% to 9.40%	-	-
Mortality Table	IALM (1994-96) duly modified	LIC (1994-96) duly modified	IALM (1994-96) duly modified	LIC (1994-96) duly modified
Salary Escalation	7.00%	7.00%	-	-

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts in respect of defined benefit plans are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Defined benefit obligation	19.86	13.65	16.00	15.09
Plan assets	18.29	14.72	15.95	15.01
Surplus/ (deficit)	(1.57)	1.07	(0.05)	(0.08)
Experience adjustment on plan assets	(0.03)	-	-	-
Experience adjustment on plan liabilities	(1.67)	0.01	-	-

As AS-15 is applicable from the previous financial year the above disclosure as required under para 120(n) has been made prospectively from the date it became applicable on the Group.

Provident and other funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2012-13	2011-12
Provident Fund/Superannuation fund/ ESI/ Pension Scheme	6.78	5.08

39. The Group has recognized power and sales tax incentives at its at Kadappa unit, Andhra Pradesh under the Industrial Investment Promotion policy 2005-2010 issued by Government of Andhra Pradesh. Under the policy, the Company is entitled to power cost reimbursement in excess of ₹2.50 per unit of power consumed and 25% of Central Sales Tax and Value Added Tax paid in Andhra Pradesh. The Company has recognized the same as revenue grant as per Accounting Standard -12. The amounts recognized in Statement of Profit and Loss is as given below:-

(₹ Crore)

Particulars	2012-13	2011-12
Power incentive (netted from Power and Fuel in Note 27)	11.62	4.87
Sales tax incentive (Revenue from Operations in Note 22)	9.36	11.82
Total	**20.98**	**16.69**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

40. **The Group has debited direct expenses relating to limestone mining, captive power generation etc. to cost of raw material consumed, power & fuel and other accounts as under:**

(₹ Crore)

	2012-13	2011-12
Cost of raw materials consumed	20.08	18.13
Power and fuel	6.40	5.52
Repair and maintenance to Plant & Machinery	36.58	39.82
Branch expenses	5.41	5.20
Repair and maintenance to building	0.32	0.07
	68.79	**68.74**

These expenses if reclassified on 'nature of expense' basis as required by Schedule VI will be as follows:

(₹ Crore)

	2012-13	2011-12
Consumption of stores and spare parts	54.89	55.30
Rent	5.84	7.04
Insurance	0.10	0.08
Salary and wages	3.95	3.04
Power Charges	0.16	-
Operations and Maintenance	3.85	3.28
	68.79	**68.74**

41. Segment Information

Primary Segment: Business Segment

The Group's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The identified reportable segments are Own Manufactured Cement, Refractory, Management Services and Others.

The **"Own Manufactured Cement Segment"** includes manufacture and marketing of Cement.

The **"Refractory Segment"** includes marketing of Refractory products.

The Group caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2013.

(₹ Crore)

Particulars Segment	Cement	Refractory	Management Services	Others	Total
Revenue					
Gross Revenue	3,034.74 (2,546.51)	73.97 (76.43)	118.12 (81.79)	37.61 (37.61)	3,264.44 (2,742.34)
Less: Inter/ Intra Segment Revenue	11.45 (-)	4.78 (5.65)	92.09 (76.12)	35.40 (35.40)	143.72 (117.17)
Less: Excise Duty	369.85 (294.81)	- (-)	- (-)	- (-)	369.85 (294.81)
Total Revenue	2,653.44 (2,251.70)	69.19 (70.78)	26.03 (5.67)	2.21 (2.21)	2,750.87 (2,330.36)
Results					
Segment result	423.48 (332.27)	(3.38) (1.39)	29.78 (19.22)	16.33 (17.01)	466.21 (367.11)
Less: Financial Cost					231.43 (151.28)
Add: Other unallocable income net of unallocable expenditure					39.25 (54.57)
Profit Before Tax					274.03 (270.40)
Tax expense					133.40 (122.85)
Share of profit in Subsidiary's Associates					72.29 (14.43)
Less: Minority Interest					15.35 (18.53)
Profit after tax					197.57 (143.45)
Assets	5,713.92 (3,720.29)	35.73 (45.31)	195.21 (170.90)	293.73 (315.60)	6,238.59 (4,252.10)
Non Segments assets					1,760.14 (1,375.12)
Total Assets					7,998.73 (5,627.22)
Liabilities	793.80 (326.65)	15.54 (23.57)	34.93 (15.69)	18.53 (24.14)	862.80 (390.05)
Non Segments liabilities					4,016.12 (2,347.35)
Total Liabilities					4,878.92 (2,737.40)
Depreciation	185.12 (160.41)	- (-)	1.65 (1.29)	20.05 (20.04)	206.82 (181.74)
Capital Expenditure	165.70 (60.46)	- (-)	3.54 (1.15)	0.23 (0.06)	169.47 (61.67)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

42. During the year, the Group has incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

Subsidiaries

(₹ Crore)

Particulars	2012-13	2011-12
Brought forward to current year as part of Capital Work in Progress	36.65	69.38
Add : Additions on Acquisitions	58.62	
Expenditure incurred during the year		
Employee benefit expenses		
Salaries and Wages	6.30	-
Other Expenses		
Consumption of Stores and Spare Parts	0.12	
Repairs & Maintenance	0.13	
Rent	1.12	0.11
Insurance	0.70	
Professional Charges	5.94	-
Travelling	0.74	0.05
Miscellaneous Expenses	3.86	2.90
Finance Cost		
Interest		
On Borrowing from Banks	15.56	5.08
Bank Charges	0.52	0.91
Interest on fixed deposits reversed	(0.17)	-
Income on sale of investments reversed	-	(5.42)
Depreciation /Amortization	0.19	0.03
Total Expenditure during the year	**35.01**	**3.66**
Grand Total	**130.28**	**73.04**
Charged to statement of Profit & Loss	-	36.39
Carried forward as part of Capital Work in Progress	**130.28**	**36.65**

Joint Venture

(₹ Crore)

Particulars	2012-13	2011-12
Brought forward to current year as part of Capital Work in Progress	4.94	4.83
Employee benefit expenses		
Salaries and Wages	0.05	0.02
Workmen and Staff Welfare expenses	-	0.01
Other Expenses		
Travelling	-	0.08
Miscellaneous Expenses	0.05	-
Total Expenditure during the year	0.10	0.11
Carried forward as part of Capital Work in Progress	**5.04**	**4.94**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

43. Related Party Disclosure as required by Accounting Standard-18.

a) **List of related parties along with nature and volume of transactions is given below:**

Associate of the Group
OCL India Limited

Key Management Personnel of the Group
Shri Jai Hari Dalmia – Managing Director,Shri Yadu Hari Dalmia – Managing Director, Shri Gautam Dalmia, Shri Puneet Yadu Dalmia.

Relatives Key Management Personnel
Shri V.H. Dalmia (Brother of Managing Director), Shri J.H.Dalmia (HUF), Smt. Kavita Dalmia (Wife of Managing Director), Shri Y.H. Dalmia (HUF), Smt. Bela Dalmia (Wife of Managing Director), , Shri Gautam Dalmia (HUF), Smt. Anupama Dalmia (Wife of Director), Smt. Avantika Dalmia (Wife of Director), Kumari Shrutipriya Dalmia (Daughter of Managing Director) ,Kumari Sukeshi Dalmia (Daughter of Director), Kumari Vaidehi Dalmia (Daughter of Director), Kumari Sumana Dalmia (Daughter of Director), Kumari Avanee Dalmia (Daughter of Director), Mst. Priyang Dalmia (Son of Director) Shri M.H. Dalmia, (Brother of Managing Director) Smt. Abha Dalmia (Wife of Brother of Managing Director) , Shri R.H. Dalmia (Brother of Managing Director).

Enterprises controlled by the Key Management Personnel of the Group
Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shri Nataraj Ceramic and Chemical Industries Limited, Shri Chamundeswari Minerals Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, ZipAhead.Com Limited, Alirox Abrasives Limited, Shri Investments, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Raghu Hari Dalmia Parivar Trust, Dalmia Sugar Ventures Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Bharat Sugar and Industries Limited, New Habitat Housing Finance and Development Limited.

b) **The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ Crore)

Nature of Transaction	Associate	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	16.66	-	11.35	28.01
	(12.39)	(-)	(6.42)	(18.81)
Reimbursement of expenses – Receivable	0.47	-	4.70	5.17
	(0.15)	(-)	(4.54)	(4.69)
Reimbursement of expenses - Payable	0.19	-	7.84	8.03
	(-)	(-)	(7.15)	(7.15)
Purchase of goods and services	11.62	-	56.86	68.48
	(-)	(-)	(55.49)	(55.49)
Rent Receipt (including Lease Rent)	-	-	2.21	2.21
	(-)	(-)	(2.21)	(2.21)

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

(₹ Crore)

Nature of Transaction	Associate	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Interest Received	- (-)	- (-)	3.03 (3.97)	3.03 (3.97)
Refund of Security deposit	- (-)	- (-)	6.66 (6.66)	6.66 (6.66)
Loans and advances given	- (-)	- (-)	26.00 (222.00)	26.00 (222.00)
Loans and advances received back	- (-)	- (-)	12.00 (197.00)	12.00 (197.00)
Purchase of Fixed Assets	0.23 (-)	- (-)	0.04 (0.11)	0.27 (0.11)
Sale of Fixed Assets	4.41 (-)	- (-)	- (0.01)	4.41 (0.01)
Interest paid	0.51 (-)	- (-)	- (0.03)	0.51 (0.03)
Dividend Income	11.62 (10.33)	- (-)	- (-)	11.62 (10.33)
Sitting Fees	- (-)	0.01 (-)	- (-)	0.01 (-)
Salary & Perquisites*	- (-)	14.39 (8.61)	- (-)	14.39 (8.61)

(*does not includes provision made for leave encashment and gratuity as the same are determined for the company as a whole)

1. Sale of goods and services includes transaction with OCL India Limited ₹16.66 Cr (Previous Year ₹12.39 Cr), Dalmia Bharat Sugar & Industries Limited ₹10.85 Cr (Previous Year ₹5.75 Cr).

2. Reimbursement of expenses – receivable includes transaction with Shri Nataraj Ceramic and Chemical Industries Limited ₹4.24Cr (Previous Year ₹4.24 Cr).

3 Reimbursement of expenses – payable includes transaction with Dalmia Bharat Sugar & Industries Limited ₹0.11 Cr (Previous Year ₹0.19 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹7.73 Cr (Previous Year ₹6.96 Cr).

4. Purchase of goods and services includes transaction with OCL India Limited ₹11.62 Cr (Previous Year Nil), Keshav Power Limited ₹27.89 Cr (Previous Year ₹24.72 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹23.70 Cr. (Previous Year ₹27.96 Cr).

5. Rent receipt (includes Lease Rent) includes transaction with Keshav Power Limited ₹2.21 Cr (Previous Year ₹2.21 Cr).

6. Interest received includes transaction with Dalmia Bharat Sugar & Industries Limited ₹3.04 Cr (Previous Year ₹3.97 Cr).

7. Refund of security deposit includes transaction with Keshav Power Limited ₹6.66 Cr (Previous Year ₹6.66 Cr).

8. Loan and advances given includes transaction with Dalmia Bharat Sugar and Industries Limited ₹26.00 Cr (Previous Year ₹222.00 Cr).

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

9. Loan and advances received back given includes transaction with Dalmia Bharat Sugar and Industries Limited ₹12.00 Cr (Previous Year ₹197.00 Cr).

10. Purchase of fixed assets includes transaction with OCL India Limited ₹0.23 Cr (Previous Year Nil), Himshikar Investment Limited Nil (Previous Year ₹0.10 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.04 Cr (Previous Year Nil)

11. Sale of Fixed Assets includes transaction with OCL India Limited ₹4.41 Cr (previous Year Nil).

12. Interest paid includes transaction with OCL India Limited ₹0.51 Cr (Previous Year Nil), Sh.Raghu Hari Dalmia Nil (Previous Year ₹0.84 Cr).

13. Dividend Income include transaction with OCL India Limited ₹11.62 Cr (Previous Year ₹10.33 Cr).

14. Sitting fees includes transaction with Sh. Jai Hari Dalmia ₹0.01 Cr (Previous Year Nil), Sh. Yadu Hari Dalmia ₹0.01 Cr (Previous Year Nil).

15. Salary & Perquisities includes transaction with Sh. Puneet Yadu Dalmia ₹6.69 Cr (Previous Year ₹4.05 Cr), Sh. Gautam Dalmia ₹6.78 Cr (Previous Year ₹4.06 Cr).

(c) Balances outstanding at year end:

(₹ Crore)

Nature of Transaction	Associate	Joint Venture	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loan Receivable	- (-)	- (-)	- (-)	64.00 (50.00)	64.00 (50.00)
Amounts receivable	20.75 (0.28)	4.28 (4.28)	- (-)	5.92 (2.16)	30.95 (6.72)
Amounts payable	4.15 (-)	- (-)	10.70 (-)	18.91 (23.79)	23.06 (23.79)
Security deposit receivable	- (-)	- (-)	- (-)	1.25 (1.25)	1.25 (1.25)

1. Loan receivable includes Dalmia Bharat Sugar and Industries Limited ₹64.00 Cr (Previous Year ₹50.00 Cr).
2. Amount receivable includes OCL India Limited ₹20.75Cr (Previous ₹0.28 Cr), Dalmia Bharat Sugar and Industries Limited ₹5.63 Cr (Previous Year ₹0.01 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹0.02 Cr (Previous Year ₹0.05 Cr), Dalmia Solar Power Limited Nil (Previous Year ₹2.10 Cr), Khappa Coal Company Private Limited ₹4.28 Cr (Previous Year ₹4.28 Cr).
3. Amount Payable includes Keshav Power Limited ₹14.38 Cr (Previous Year ₹22.56 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.65 Cr (Previous Year ₹0.34Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹4.59Cr (Previous Year ₹0.78 Cr), Sh. Puneet Yadu Dalmia ₹5.35 Cr (Previous Year Nil), Sh. Gautam Dalmia ₹5.35 Cr (Previous Year Nil).
4. Security deposit receivable includes Shri Nataraj Ceramic and Chemical Industries Limited ₹1.25 Cr. (Previous Year ₹1.25 Cr).

Notes to Consolidated Financial Statements

for the year ended 31st March, 2013 (contd...)

44. Details of the Group's share in Joint Ventures included in the Consolidated Financial Statement are as follows:

(₹ Crore)

Particulars	2012-13	2011-12
SOURCES OF FUNDS		
Shareholders Fund	-	-
Reserves & Surplus	-	-
Non Current Liabilities		
Other long term liabilities	4.28	4.28
Current Liabilities		
Other current liabilities	0.01	0.01
Short term provision	-	-
Total	**0.01**	**0.01**
APPLICATION OF ASSETS		
Non Current Assets		
Tangible fixed assets	0.61	0.62
Capital Work in Progress	5.04	4.97
Long Term loans and advances	-	-
Total	**5.65**	**5.59**
Current Assets	-	-
Cash & cash equivalents	0.37	0.48
Short term Loans & Advances / other current assets	0.10	0.06
Total	**0.47**	**0.54**

45. Details of loans and advances in nature of loans to associates, parties in which Directors are interested and Investments by the Loanee in the shares of the Group (as required by clause 32 of listing agreement)

(₹ Crore)

Particulars	Outstanding amount as at	Maximum amount outstanding during financial year	Outstanding amount as at	Maximum amount outstanding during financial year
	2012-13	2012-13	2011-12	2011-12
	-	-	-	-

46. Movement of long term provision during the year:

(₹ Crore)

Mines Reclamation Liability	2012-13	2011-12
Opening Provision	2.21	-
Add : Provision during the year	6.10	2.21
Closing Provision	8.31	2.21

Mines reclamation expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of the reclamation expenditure.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2013 (contd...)

47. In 2011-12 the Company had entered into definitive agreements with Calcom Cement India Limited ('Calcom'), Saroj Sunrise Private Limited ('SSPL') (a Company owned by the promoters of Calcom) and the promoters of Calcom whereby the Company had initially acquired a nominal stake of 14.59% ultimately extendable to 50% of the the Equity Share Capital of Calcom. During the year, revised agreements have been entered into to increase the Company's nominal stake up to 66.26% (and voting stake of 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom. Out of the above, shares representing nominal stake of 14.23% of the Equity Share Capital of Calcom are in escrow, with beneficial ownership being with the Company, to be released at a future date upon satisfaction of certain conditions. The difference in nominal stake and voting stake arises due to non-voting shares of Calcom held by its subsidiaries. The Company has invested a total amount of ₹251.59 crore and 59.00 crore respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

    The OCDs are non-interest bearing and are secured by the pledge of 72,567,742 equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Company has an option either to get the debentures redeemed for an aggregate amount of ₹59.00 crore or convert into equity shares constituting 99.99% shareholding of SSPL.

    This is a long term strategic investment acquired recently at fair market value and there is no indicator of impairment during the year.

48. During the year, the Company has entered into definitive agreements with Adhunik Cements Limited ('Adhunik') and the promoters of Adhunik for acquisition of the entire paid-up equity share capital of Adhunik for a total consideration of ₹500.77crore. The Company has initially acquired 77.50% shares and the balance 22.50% shares are held in escrow, with sellers being the beneficial owners, to be transferred to Company at a future date upon satisfaction of certain conditions. The Company has invested a total amount of ₹361.84 crore till the year end. On satisfaction of certain conditions, an additional consideration of ₹138.93 crore, subject to certain adjustment, is payable to the sellers of Adhunik. Management believes that the payment for additional consideration is probable and, therefore, proportionate amount for 77.50% shares has been accounted for as investment and corresponding liability has been recognised. The amount of additional consideration will be updated in future on actual determination and for any changes in management's assessment. This is a long term strategic investment acquired recently at fair market value and there is no indicator of impairment during the year.

49. The Debt restructuring package was approved by the CDR Empowered Group of Reserve Bank of India in one of its subsidiary Calcom Cement India Limited, as result of which its loan repayment schedule was restructured to defer the repayment. Considering these facts as well as the business of its subsidiary and the commitment of Group to provide the requisite liquidity support to its subsidiary, the management is confident that it will be able to operate as going concern and accordingly the financial statement of its subsidiary is drawn under going concern assumption.

50. The Group has been issued LOI for a limestone mining area in Chittorgarh district of Rajasthan by Government of Rajasthan for setting up of Cement Plant of 2 MTPA within 2 years from the date of execution of mining lease deed with a condition to submit a bank guarantee of ₹12 Crs. The mining lease deed has not yet been executed.

51. In the opinion of the management there is no reduction in value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assets".

52. **Previous Year Comparatives**

    Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

for S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 089907

Place : New Delhi
Date : May 30, 2013

For and on behalf of the board of Directors of
Dalmia Bharat Limited

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Nidhi Bisaria
Company Secretary

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956

Subsidiary Companies		Dalmia Cement (Bharat) Limited	Kanika Investment Limited	Dalmia Power Limited	D.I. Properties Limited	Shri Rangam Properties Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-3-2013	31-3-2013
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3.	Holding Company's interest in the share capital	85.01%	100%	100%	85.01%	85.01%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	1,31,39,42,694	(-) 3,26,377	(-) 5,86,024	2,81,831	60,996
	(b) For the previous financial years since it became Company's Subsidiary (₹)	114,33,27,704	9,96,237	(-) 6,99,045	1,87,894	22,163
5	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	2,00,96,588	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	13,74,33,106	Nil	Nil	Nil	Nil

Subsidiary Companies		Arjuna Brokers & Minerals Limited	Dalmia Minerals & Properties Limited	Shri Radha Krishna Brokers & Holdings Limited	Sri Shanmugha Mines & Minerals Limited	Sri Subramanya Mines & Minerals Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3	Holding Company's interest in the share capital	85.01%	85.01%	85.01%	85.01%	85.01%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	(-) 48,236	(-) 24,508	732	(-) 7,307	(-) 18,376
	(b) For the previous financial years since it became Company's Subsidiary (₹)	3,00,810	(-) 30,220	(-) 18,165	1,67,492	(-) 28,828
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956 (contd...)

Subsidiary Companies		Ishita Properties Limited	Hemshila Properties Limited	Geetee Estates Limited	Sri Swaminatha Mines & Minerals Limited	Sri Trivikrama Mines & Properties Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3.	Holding Company's interest in the share capital	85.01%	85.01%	85.01%	85.01%	85.01%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	1,09,149	13,097	2,00,157	72,880	(-) 11,909
	(b) For the previous financial years since it became Company's Subsidiary (₹)	(-) 3,60,18,856	(-) 10,070	1,11,719	8,513	(-)15,729
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Subsidiary Companies		Sri Madhusudana Mines & Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Dalmia Cement Ventures Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3.	Holding Company's interest in the share capital	85.01%	85.01%	85.01%	85.01%	85.01%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	1,01,959	22,715	(-)14,35,299	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	42,562	13,787	(-)31,32,98,484	Nil	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956 (contd...)

Subsidiary Companies		DCB Power Ventures Limited	Sutnga Mines Private Limited	Cosmos Cements Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010
3.	Holding Company's interest in the share capital	96.10%	85.01%	85.01%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	4,86,06,912	1,19,959	(-)64,449
	(b) For the previous financial years since it became Company's Subsidiary (₹)	14,49,24,491	(-) 4,66,395	(-)1,03,622
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil

Subsidiary Companies		Adhunik Cement Limited	Adhunik MSP Cement (Assam) Limited	Calcom Cement India Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	28-09-2012	28-09-2012	30-11-2012
3.	Holding Company's interest in the share capital	65.88%	65.88%	64.29%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	(-) 8,04,07,681	Nil	(-) 3,03,04,900
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil

Subsidiary Companies		RCL Cements Limited	SCL Cement Limited	Vinay Cement Limited
1.	Financial year ending	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary	30-11-2012	30-11-2012	30-11-2012
3.	Holding Company's interest in the share capital	64.29%	64.29%	62.49%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	(-) 5,84,55,152	(-) 76,22,150	(-) 6,74,36,399
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil

Jai H. Dalmia
Managing Director

Y. H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance & Strategy)

Nidhi Bisaria
Company Secretary

New Delhi
Dated: May 30, 2013

Statement Attached to Balance Sheet

as at 31st March, 2013

Details of Subsidiary Companies

(₹ Lakhs)

Name of Subsidiary Company	Dalmia Cement (Bharat) Limited	Kanika Investment Limited	Dalmia Power Limited	D.I. Properties Limited	Shri Rangam Properties Limited
Capital	25,292.00	42.00	50.00	25.00	25.00
Reserves & Surplus	262,055.00	400.93	(21.38)	35.68	51.12
Total Assets	594,652.00	447.94	758.85	62.74	395.18
Total Liabilities	307,305.00	5.01	730.22	2.06	319.07
Investments	175,182.00	443.08	37.00	-	50.56
Turnover/ Total Income	252,445.00	2.00	0.43	4.94	1.74
Profit/ (Loss) Before Taxation	26,891.00	(3.60)	(5.86)	4.07	0.87
Provision for Taxation	11,198.00	(0.34)	-	0.76	0.15
Profit/ (Loss) After Taxation	15,693.00	(3.26)	(5.86)	3.32	0.72
Proposed Dividend	5.50%	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Arjuna Brokers & Minerals Limited	Dalmia Minerals & Properties Limited	Shri Radha Krishna Brokers & Holdings Limited	Sri Shanmugha Mines & Minerals Limited	Sri Subramanya Mines & Minerals Limited
Capital	5.00	5.00	5.00	5.00	5.00
Reserves & Surplus	2.28	(1.48)	3.31	1.19	2.81
Total Assets	8.84	4,578.75	8.76	613.50	262.57
Total Liabilities	1.56	4,575.23	0.45	607.31	254.76
Investments	-	1,250.18	-	-	-
Turnover/ Total Income	-	-	0.58	0.48	-
Profit/ (Loss) Before Taxation	(0.57)	(0.29)	0.01	(0.09)	(0.29)
Provision for Taxation	-	-	-	-	(0.07)
Profit/ (Loss) After Taxation	(0.57)	(0.29)	0.01	(0.09)	(0.22)
Proposed Dividend	-	-	-	-	-

Statement Attached to Balance Sheet

as at 31st March, 2013 (contd...)

Details of Subsidiary Companies

(₹ Lakhs)

Name of Subsidiary Company	Ishita Properties Limited	Hemshila Properties Limited	Geetee Estates Limited	Sri Swaminatha Mines & Minerals Limited	Sri Trivikrama Mines & Properties Limited
Capital	5.00	25.00	5.00	5.00	5.00
Reserves & Surplus	(344.78)	29.97	39.76	16.56	11.37
Total Assets	102.02	693.67	660.90	131.28	483.10
Total Liabilities	441.80	638.70	616.14	109.73	466.73
Investments	49.50	42.29	-	-	-
Turnover/ Total Income	5.76	1.06	3.73	1.92	0.40
Profit/ (Loss) Before Taxation	1.77	0.19	2.90	1.07	(0.14)
Provision for Taxation	0.49	0.04	0.55	0.21	-
Profit/ (Loss) After Taxation	1.28	0.15	2.35	0.86	(0.14)
Proposed Dividend	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Sri Madhusudana Mines and Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Dalmia Cement Ventures Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited
Capital	5.00	5.00	16,171.10	94.00	1.00
Reserves & Surplus	24.42	9.23	(3,630.33)	7.02	-
Total Assets	661.44	15.16	18,218.20	157.09	85.71
Total Liabilities	632.03	0.94	5,677.43	56.07	84.71
Investments	-	-	546.41	-	-
Turnover/ Total Income	2.40	1.21	65.78	-	-
Profit/ (Loss) Before Taxation	1.55	0.39	(9.94)	-	-
Provision for Taxation	0.35	0.12	6.94	-	-
Profit/ (Loss) After Taxation	1.20	0.27	(16.88)	-	-
Proposed Dividend	-	-	-	-	-

Statement Attached to Balance Sheet

as at 31st March, 2013 (contd...)

Details of Subsidiary Companies

(₹ Lakhs)

Name of Subsidiary Company	DCB Power Ventures Limited	Sutnga Mines Private Limited	Cosmos Cements Limited	Adhunik Cement Limited *	Adhunik MSP Cement (Assam) Limited *
Capital	50.00	200.00	1,400.00	3,294.50	24.50
Reserves & Surplus	35,427.00	(3.38)	(23.19)	21,838.11	175.50
Total Assets	39,466.00	197.12	4,893.22	102,691.32	213.43
Total Liabilities	3,989.00	0.51	3,516.42	77,558.71	13.43
Investments	6,400.00	140.32	-	200.00	-
Turnover/ Total Income	3,629.00	2.42	0.01	35,642.12	-
Profit/ (Loss) Before Taxation	1,596.00	1.76	(0.76)	(23,364.28)	-
Provision for Taxation	1,090.00	0.35	-	-	-
Profit/ (Loss) After Taxation	506.00	1.41	(0.76)	(23,364.28)	-
Proposed Dividend	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Calcom Cement India Limited *	RCL Cement Limited *	SCL Cements Limited *	Vinay Cement Limited *
Capital	40,339.32	363.32	297.48	1,889.99
Reserves & Surplus	(20,547.52)	1,622.51	(1,157.78)	(4,179.99)
Total Assets	73,596.83	5,862.99	1,468.76	7,823.02
Total Liabilities	53,805.03	3,877.16	2,329.06	10,113.02
Investments	7,276.31	3,106.84	-	5,312.38
Turnover/ Total Income	10,050.51	261.86	65.55	2,624.86
Profit/ (Loss) Before Taxation	(5,444.37)	(1,099.50)	(284.78)	(2,254.45)
Provision for Taxation	-	44.42	-	29.73
Profit/ (Loss) After Taxation	(5,444.37)	(1,143.92)	(284.78)	(2,284.18)
Proposed Dividend	-	-	-	-

* Full year numbers are given

Directors' Report
for the year ended 31st March, 2013

The Directors have pleasure in presenting the Seventeenth Annual Report and Audited Statements of Account of the Company for the year ended 31st March 2013.

Financial Results

(₹ Crore)

	FY 13	FY 12
Net Sales Turnover	2439.39	2251.70
Profit before interest, depreciation and tax (EBITDA)	624.11	567.73
Less: Interest	196.31	150.96
Profit before depreciation and tax (PBDT)	427.80	416.77
Less: Depreciation	158.89	160.41
Profit before tax (PBT)	268.91	256.36
Provision for current tax	82.30	71.01
Provision for deferred tax	35.53	31.34
Prior year tax written back	5.85	-0.26
Profit/(Loss) after tax (PAT)	156.93	154.27
Add: (i) Surplus brought forward	129.15	0.83
Profit available for appropriation	286.08	155.10
Appropriations:		
General Reserve	-	-
Debenture Redemption Reserve (net)	17.29	9.79
Proposed Dividend	13.91	13.91
Dividend Distribution tax thereon	2.37	2.25
Balance carried forward	252.51	129.15
	286.08	**155.10**

Dividend

Your Directors are pleased to announce declaration of a dividend of ₹0.55 (previous year ₹0.55) per equity share of ₹10/- each.

Economic Scenario and Outlook

Driven by a resilient 5.1% growth in the emerging and developing economies, the global economic output grew by 3.2% in 2012.

The Indian economy, while better placed than world economy, also witnessed slower growth in FY13 at 5% as compared to 6.2% growth in FY12. The reduction in the growth is primarily attributable to weakness in industry sector coupled together with sluggish growth of investment, poor growth of private final consumption expenditure, squeezed margins of the corporate sector, deceleration in the rate of growth of credit flows and fragile global economic recovery.

India's index of industrial production during FY13 stood at two decade low of 1% as compared to 2.9% in the previous year. The manufacturing sector, which constitutes over 75% of the index, remained low at 1.2% as against 3% in FY12. The weak performance of industrial sector is attributed to declining investment rates, high inflation and interest rates. The average annual inflation rate was at 7.8% in FY13.

India's private final consumption expenditure growth halved to 4.1% during the FY13 from 8% during the previous fiscal year.

In an attempt to revive India's economic slowdown, the Government initiated a series of economic reforms.

After 13 consecutive rate increases, RBI had for the first time cut repo rate in April 2012 by 50 bps. RBI has already eased the policy rates with a 125-bps cut in the repo rate and a 200-bps cut in the CRR since then. With WPI inflation easing to a 41-month low of 4.9% currently, which is within the RBI's comfort zone, it is expected that central Bank would continue to soften its stand on the monetary policy, which would augur well both for the economy and corporate earnings. The overall GDP growth rate is expected to be around 6% in FY14

Cement Industry Developments and Outlook

The Cement Industry showed modest growth of 5% in FY13. This was on account of overall slowdown in the economy, poor growth of private final consumption expenditure, shortage of essential construction items – sand, bricks and water, and high interest rates.

Cement Demand is expected to grow at around 6.5-7.0% in FY14 on account of increased investment in housing and infrastructure related projects by both public and private sectors. Further increased governmental impetus on heavy infrastructure projects like freight corridors, airports, seaports, power plants, etc. is expected to only add to the strong cement demand in the country.

With an addition of approximately 36 MTPA of capacity during FY13, the Indian Cement Industry has a total capacity of 360 MTPA today and is operating at around 70% utilisation. The industry is expected to further add around 25 MTPA of capacity in FY14.

The performance of the Company during the last three years is:

	FY 13	FY 12	FY 11
Cement Division ('000 MT)			
Clinker Production	4450	4288	3533
Cement Production	5659	5380	4666
Cement Sales and Self Consumption	5600	5392	4617

Investment in Calcom Cement India Limited and Adhunik Cement Limited

With a view to expand the cement footprint in the North East Region of India, the Company increased its stake in Calcom Cement India Limited by taking up further Equity Shares in the capital of that Company. Your Company now holds stake in Calcom Cement India Limited.

During the year, your Company also acquired majority stake in Adhunik Cement Limited in Meghalaya which has a cement capacity of 1.5 MTPA. With this acquisition your Company has consolidated its position as the leading national brand in the North Eastern region of India.

Industrial Relations

The industrial relations during the year under review remained harmonious and cordial. The Directors wish to place on record their appreciation for the excellent cooperation received from all employees at all levels in various units of the Company.

Employees' Particulars

The statement giving particulars of employees who were in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Rules and Notifications made thereunder, is annexed. However, in terms of the proviso (b)(iv) to Section 219(1) of the Companies Act, 1956 the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange transactions, in accordance with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, forms a part of this report as Annexure – B.

Subsidiaries

The Directors' Report and audited accounts of the Company's Subsidiaries, Ishita Properties Limited, Shri Rangam Properties Limited, Geetee Estates Limited, D. I. Properties Limited, Hemshila Properties Limited, Arjuna Brokers & Minerals Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Minerals & Properties Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Shanmugha Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudhana Mines and Properties Limited, Dalmia Cement Ventures Limited and its ultimate Subsidiaries Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Vinay Cement Limited, RCL Cements Limited, SCL Cements Limited, Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited for the year ended 31st March 2013 are attached.

Fixed Deposits

The total amount of deposits remaining due for payment and not claimed by the depositors as on 31st March 2013 was ₹0.09 crore in respect of 10 depositors. Since the close of the year 6 depositors have requested for renewal/encashment of their deposits aggregating to ₹0.05 crore

Directors

Mr. Yadu Hari Dalmia, Mr. G. N. Bajpai and Mr. N. Gopalaswamy, Directors retire by rotation at the forthcoming General Meeting of the Company and offer themselves for re-appointment.

The above named Directors have confirmed that they are not disqualified from being appointed/re-appointed as Directors of the Company in terms of the provisions of Section 274(1)(g) of the Companies Act, 1956.

Directors Responsibility Statement

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors declare that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no departures have been made there from;

(b) 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 of the Company for that period;

(c) 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; and

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

Auditors

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants and M/s. S.S. Kothari Mehta & Co., Chartered Accountants, the Joint Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 224 of the Companies Act, 1956, the Company has obtained from both of them a declaration to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said Section.

Cost Auditors

M/s. R.J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct cost audit of the cement manufacturing units for the year ended 31-3-2012, and they have submitted the Cost Audit Reports for the said year on 25-12-2012 . The said firm has been appointed as Cost Auditors to conduct cost audit of the cement manufacturing units and power generation units for the year ended 31-3-2013.

For and on behalf of the Board

New Delhi
Dated: 28th May, 2013

G. N. Bajpai
Chairman

Annexure-B

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo and Earnings

A. Conservation of Energy

(a) Energy Conservation measures taken:

(i) Reduction of energy as per PAT scheme.

(ii) Increased use of petroleum coke.

(iii) Use of lignite in power plant.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

(i) Bucket elevator modification for special cement.

(ii) Fuel, water and energy conservation measures

(c) Impact of measures taken already and proposed vide (a) and (b) above are aimed at:

Enabling the Company to save electrical energy and thermal energy by about 3% as compared to previous levels.

(d) Total energy consumption and consumption per unit of production as per Form “A” attached.

B. Technology Absorption

Efforts made in technology absorption as per Form “B” attached.

C. Foreign Exchange Earnings and Outgo

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

(i) Cement was exported during the year.

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

(i) Used: ₹597.54 crore

(ii) Earned: ₹12.03 crore

Form 'A'

(Form of Disclosure of Particulars with respect to Conservation of Energy)

		2012-13	2011-12
A.	Power and Fuel Consumption		
1.	**Electricity:**		
a)	Purchased:		
	Units (KWH in million)	101.41	112.47
	Total Amount (₹ crore)	46.53	48.59
	Rate/Unit (₹)	4.59	4.32
b)	Own Generation:		
	i) Through Captive Thermal Power Plant #		
	Units (KWH in million)	317.68	288.58
	Total Amount (₹ crore)	206.54	195.66
	Rate/Unit (₹)	6.50	6.78
	ii) Through Diesel Generator:		
	Units (KWH in million)	0.88	3.29
	KWH per Litre of HSD/FO	3.59	3.48
	Rate/Unit (₹)	14.40	9.88
2.	**Coal/Petcoke/Others used in Kiln**		
	Quantity ('000 MT)	526.56	526.07^
	Total Cost (₹ crore)	398.86	413.84^
	Average Rate (₹ / MT)	7575	7867
3.	**Furnace Oil Including (LSHS & HSD)**		
	Quantity (KL)	1294	1712
	Total Amount (₹ crore)	6.54	6.90
	Average Rate (₹ / KL)	50521	40327

Note: # Includes cost of coal ₹132.18 crore (previous year ₹103.71 crore)

^ Quantity and cost of coal consumed in power plant excluded.

B. Consumption Per Unit of Production:

Product	Cement		
	Standard If any	**Current Year**	**Previous Year**
Electricity (Units/MT)		74	73
Furnace Oil (including LSHS) (Litres/MT)		0.19	0.29
Coal used for clinker (Kgs. / MT)		118	122

Form 'B'

(Form of Disclosure of Particulars with respect to Absorption)

Research and Development (R&D)

1. **Specific areas in which R&D is carried out by the Company:**
   (a) Quality improvement through usage of slag in PPC along with fly-ash.
   (b) Modification in feed pump suction line to avoid CPP break down.
   (c) Installation of lifting taps to conserve water.

2. **Benefits derived as a result of the above R&D:**
   (a) Cement quality improved.
   (b) Failure of feed pump and stoppage of CPP avoided.
   (c) Saving of 400m^3 of water savings per day.

3. **Future plans of action:**
   (a) Installation of alternate fuel system to use municipal waste and reduce fuel cost.
   (b) Redesign of raw mix to user high ferrous limestone rejects to extend mines life.

4. **Expenditure on R&D:**

		(₹ crore)
(a)	Capital	—
(b)	Recurring	Negligible
(c)	Contribution/Expenditure on Research and Development	—
(d)	Total	Negligible
(e)	Total R&D Expenditure as a percentage of turnover	Negligible

Above excludes material and other costs.

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
   Modification of FLS Cooler with three grates.
   Upgradation of PLC control system of CPP'S

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:
   Mechanical break downs reduced and operational efficiency improved.

3. No technology has been imported for the last five years

Independent Auditor's Report

To
The Members of
Dalmia Cement (Bharat) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Dalmia Cement (Bharat) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and

(e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Place: Gurgaon
Date: May 28, 2013

For **S.S. Kothari Mehta & Co.**
Firm Registration No.: 000756N
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place: New Delhi
Date: May 28, 2013

Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Dalmia Cement (Bharat) Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to books of account were not material and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) The Company had taken unsecured loans in the form of fixed deposits from two directors covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is ₹0.33 crore and the year-end balance of loans taken from such parties is ₹0.25 crore.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act, and the Rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the manufacture of Cement and Power, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ Cr)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of credit taken on Inputs, capital goods and services	74.94	Aug 2007 to Sept 2009	CESTAT, Delhi
Central Excise Act, 1944	Demand of excise duty on the clinker content of the cement removed to SEZ without payment of duty	12.24	July 2006 to March 2012	CESTAT, Chennai
Central Excise Act, 1944	Disallowance of Cenvat credit on cement, TMT bar etc used in construction of factory	10.72	2009-10 and 2010-11	CESTAT, Delhi
Central Excise Act, 1944	Demand of Excise Duty on the basis of tariff on sale to Other Consumers	9.43	July 2009 to March 2012	CESTAT, Bangalore
Central Excise Act, 1944	Differential amount of Excise Duty on non trade sale of Cement (bulk sale of cement)	8.43	May 2007 to November 2007	Supreme Court
Central Excise Act, 1944	Denial of Cenvat credit on Intermediate goods-CPP	7.05	2006	High Court, Chennai
Central Excise Act, 1944	Denial of credit on MS plates, steel and angles etc. used in civil structure and immovable property	4.87	April 2004 to April 2006	CESTAT, Chennai
Central Excise Act, 1944	Differential amt. of Excise Duty on non trade sale of Cement	4.82	March 2008 to October 2008	Commissioner, Trichy
Kerala Value added tax	Non furnishing of closing stock statement, non filing of separate P & L A/c etc.	1.04	2007-08	Deputy Commissioner (Appeal)-1, Commercial Tax dept, Kottayam
Finance Act, 1994	Service tax on Consulting Engineer Services	1.01	2006	CESTAT Chennai
Central Excise Act, 1944	Wrong availment of Cenvat Credit on Intermediate Capital Goods (Pre-Heater Project).	0.72	October 2001 to April 2002	Supreme Court
Tamil Nadu Sales Tax Act	Denial of concessional rate benefit on certain items purchased through form XVII	0.41	1996-97	Sale tax Appellate Tribunal, Madurai
Andhra Pradesh VAT Act, 2005	Disallowance of Vat credit on project related purchases	0.28	June 2008 to August 2010	DC Appeals, Andhra Pradesh
Central Excise Act, 1944	Denial of Input and Service Tax Credit on various items	0.23	April 2011 to September 2011	Comm, Appeals, Guntur

Name of the statute	Nature of dues	Amount (₹ Cr)	Period to which the amount relates	Forum where dispute is pending
Kerala Value added tax	Addition for suppression of sale under VAT	0.19	2006-07	Deputy Commissioner (Appeal)-1, Commercial Tax dept, Kottayam
Tamil Nadu Sales Tax Act	Sales tax on packing charges	0.18	1983-84	High Court Madras
Finance Act, 1994	Denial of Input and Service Tax Credit on welding electrods	0.16	April 10 to June 10	Comm. Appeals Bangalore
Tamil Nadu Sales Tax Act	Denial of concessional rate benefit on certain items purchased through form XVII	0.14	1995-96	Sale tax Appellate Tribunal, Madurai
Central Excise Act, 1944	Cenvat credit on steel items as Inputs and Capital goods and W. electrodes	0.11	March 2010 to June 2010	CESTAT Chennai
Tamil Nadu VAT Act	Disallowance of discounts passed on to the customers	0.11	2006-07	Jt. Comm. CT, Ernakulam
Central Excise Act, 1944	Irregular availment of Cenvat Credit	0.09	Upto August 2011	Commissioner, Trichy
Andhra Pradesh VAT Act, 2005	Penalty levied for VAT credit disallowed	0.09	June 2008 & Aug 2010	Deputy Commissioner (Appeals)
Andhra Pradesh VAT Act, 2005	Disallowance of Vat credit on project related purchases	0.09	May 2007 to May 2008	Sales Tax Appellate Tribunal, Andhra Pradesh
Central Excise Act, 1944	Denial of cenvat credit availed on steel items, such as plates, angles, channels, welding electrodes used in the fabrication of Capital goods	0.07	July 2010 to December 2010	CESTAT Chennai
Finance Act, 1994	Service tax credit on Outdoor catering	0.04	April 2006 to May 2007	CESTAT Chennai
Tamil Nadu Sales Tax Act	Denial of concessional rate benefit on certain items purchased through form XVII	0.04	1997-98	Sale tax Appellate Tribunal, Madurai
Finance Act, 1994	Denial of Input and Service Tax Credit on welding electrods	0.03	September 2010 to March 2011	CESTAT, Bangalore
Tamil Nadu Sales Tax Act	Appeal by Department against the order of the AAC allowing claim for use of FormXVII for purchase of fire bricks	0.02	1990-91 1991-92 1992-93	Sale tax Appellate Tribunal, Madurai
Tamil Nadu Sales Tax Act	Appeal by Department against the order of the AAC allowing claim for use of Form XVII for purchase of fire bricks	0.02	1989-90	Tamil Nadu Taxation Special Tribunal, Chennai
Income Tax Act, 1961	Delay in deposit of TDS	0.01	July to September 2009	ITO, Tirupati
Tamil Nadu Sales Tax Act	Purchase of Fire Bricks against issue of Form XVII	0.01	1986-87	Sale tax Appellate Tribunal, Madurai
Income Tax Act, 1961	Rectification under section 154	0.01	2009-10	Central Processing Cell

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.

(xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) Based on the books and records produced to us by the management, securities have been created in respect of debentures issued, wherever required.

(xx) During the period covered by our audit report, the Company has not raised any money by way of public issue.

(xxi) We have been informed that during the year, forged cheques amounting to ₹0.94 crore have been presented by four unknown outside parties and withdrawal has been allowed by bankers from Company's bank account. The Company has initiated appropriate remedial action and has recovered the entire amount subsequently from the concerned bank.

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E
Chartered Accountants

per **Manoj Gupta**
Partner
Membership No.: 83906

Place: Gurgaon
Date: May 28, 2013

For **S.S. Kothari Mehta & Co.**
Firm Registration No.: 000756N
Chartered Accountants

per **Arun K. Tulsian**
Partner
Membership No.: 89907

Place: New Delhi
Date: May 28, 2013

Dalmia Bharat Cement

Balance Sheet
as at March 31, 2013

(₹ Crore)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	252.92	252.92
Reserves and Surplus	3	2,620.55	2,479.90
		2,873.47	**2,732.82**
Non - Current Liabilities			
Long-term borrowings	4	2,067.87	1,501.52
Deferred Tax Liability (Net)	5	108.83	73.30
Other long-term liabilities	6	188.09	70.28
Long term provisions	7	20.01	11.30
		2,384.80	**1,656.40**
Current Liabilities			
Short-term borrowings	8	244.15	220.84
Trade payables	9	186.49	135.05
Other current liabilities	10	240.47	186.18
Short-term provisions	11	17.14	16.57
		688.25	**558.64**
Total		**5,946.52**	**4,947.86**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	12	2,920.14	2,965.94
Intangible assets	12	1.55	1.70
Capital work-in-progress		262.02	66.06
		3,183.71	**3,033.70**
Non-current Investments	13	1,367.43	892.02
Long term loans and advances	14	444.21	188.92
		4,995.35	**4,114.64**
Current Assets			
Current investments	15	384.39	305.69
Inventories	16	253.84	229.20
Trade Receivables	17	144.58	122.40
Cash and cash equivalents	18	52.28	44.91
Short-term loans and advances	19	115.21	131.02
Other Current Assets	20	0.87	-
		951.17	**833.22**
Total		**5,946.52**	**4,947.86**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for S.R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Place : Gurgaon
Date : May 28, 2013

for S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date : May 28, 2013

For and on behalf of the board of Directors of
Dalmia Cement (Bharat) Limited

Puneet Yadu Dalmia
Managing Director

Jai. H. Dalmia
Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Manisha Bansal
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2013

(₹ Crore)

	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
Income			
Revenue from operations (Gross)	21.1	2,788.17	2,558.33
Less: Excise Duty		339.42	294.81
Revenue from operations (Net)		**2,448.75**	**2,263.52**
Other income	21.2	75.70	55.26
Total Revenue (I)		**2,524.45**	**2,318.78**
Expenses			
Cost of Raw materials consumed	22	235.67	206.86
(Increase)/ Decrease in inventories of finished goods and work in progress	23	(2.53)	0.31
Employee benefit expenses	24	122.97	104.08
Other Expenses	25	1,544.23	1,439.80
Total (II)		**1,900.34**	**1,751.05**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**624.11**	**567.73**
Finance costs	26	196.31	150.96
Depreciation and amortization expenses	12	158.89	160.41
Profit before Tax		**268.91**	**256.36**
Tax expense			
Current tax		82.30	63.73
MAT Credit (Entitlement) / Charge		-	7.28
		82.30	**71.01**
Deferred Tax charge		35.53	31.34
Prior year tax written back		(5.85)	(0.26)
Total Tax Expense		**111.98**	**102.09**
Profit after Tax		**156.93**	**154.27**
Earning per Share	27		
Basic and Diluted Earnings Per Share (In ₹)		6.20	6.10
[Nominal Value of Share ₹10 (₹10) each]			
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for S.R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Place : Gurgaon
Date : May 28, 2013

for S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date : May 28, 2013

For and on behalf of the board of Directors of
Dalmia Cement (Bharat) Limited

Puneet Yadu Dalmia
Managing Director

Jai. H. Dalmia
Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Manisha Bansal
Company Secretary

Dalmia
Bharat Cement

Cash Flow Statement

for the year ended 31st March, 2013

(₹ Crore)

	Particulars	2012-13	2011-12
A	Cash Flow from Operating Activities		
	Net Profit before tax	**268.91**	**256.36**
	Adjustments		
	Depreciation / Amortization	158.89	160.41
	Provision for doubtful debts/ advances	1.34	0.22
	Bad Debts written off	0.02	0.28
	Dividend Income	(19.11)	(22.59)
	Finance Cost	196.31	150.96
	Interest Income	(24.53)	(7.45)
	(Profit)/Loss on sale of Investments (net)	(14.64)	(4.77)
	Assets Written off / Loss on sale of assets	0.38	5.28
	Operating Profit before working Capital Changes	**567.57**	**538.70**
	Adjustments for working Capital changes :		
	Inventories	(24.64)	37.74
	Trade Payables, Liabilities and Provisions	52.47	20.97
	Trade Receivables, Loans and Advances and Other Current Assets	(60.95)	(79.33)
	Cash Generated from Operations	**534.45**	**518.08**
	Direct Taxes Paid	(82.14)	(79.43)
	Net Cash from Operating activities	**452.31**	**438.65**
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets	(390.31)	(78.76)
	Proceeds from sale of Fixed Assets	2.73	6.80
	(Purchase)/ Sale of Current Investments (net)	(64.06)	(294.92)
	(Purchase)/ Sale of Non Current Investments	138.89	(225.82)
	Acquistion of Subsidiaries	(557.92)	-
	Interest Received	6.24	7.44
	Dividend Received from Current Investments	7.49	12.26
	Dividend Received from Non Current Investments	11.62	10.33
	Net Cash used in Investing Activities	**(845.32)**	**(562.67)**
C	Cash used from Financing Activities		
	Proceeds from Short term Borrowings	23.31	186.88
	Proceeds from Long term Borrowings	686.83	-
	Repayments of Long term Borrowings	(101.76)	(243.36)
	Finance Cost	(191.84)	(150.81)
	Dividend Paid (Including Dividend Distribution Tax)	(16.16)	-
	Net cash from / (used in) financing activities	**400.38**	**(207.29)**
	Net increase in cash and cash equivalents (A+B+C)	**7.37**	**(331.31)**
	Cash and cash equivalents (Opening Balance)	**44.91**	**376.22**
	Cash and cash equivalents (Closing Balance)	**52.28**	**44.91**
	Change in Cash & Cash Equivalents	**7.37**	**(331.31)**

Note:

1) Cash & cash equivalents components are as per Note 18 of the Balance Sheet.
2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date

for S.R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Place : Gurgaon
Date : May 28, 2013

for S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date : May 28, 2013

For and on behalf of the board of Directors of
Dalmia Cement (Bharat) Limited

Puneet Yadu Dalmia
Managing Director

Jai. H. Dalmia
Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Manisha Bansal
Company Secretary

Notes to Financial Statements
for the year ended 31st March, 2013

Note 1.

Significant Accounting Policies

A. Corporate Information

Dalmia Cement (Bharat) Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on one stock exchange in India. The company is engaged in the manufacturing and selling of cement. The company mainly caters to markets in southern India.

B. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for assets transferred and vested in the company as on April 1, 2010 pursuant to the Scheme of Arrangement which are carried at fair market value determined as on April 1, 2010.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

C. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

D. Tangible Fixed Assets

Fixed assets, except for assets transferred and vested in the company as on April 1, 2010 pursuant to the Scheme of Arrangement, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

E. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the rates different from rates prescribed in Schedule XIV in the following case:-

	Rates (SLM)
Polysius Kiln	7.14%

F. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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 recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

	Rates (SLM)
Computer software	20% to 33.33%

G. Leases

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

H. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

I. Impairment of Tangible and Intangible Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

J. Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

K. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

L. Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a weighted average basis. Work-in-progress and finished goods are valued at lower

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

M. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

N. Foreign Currency Translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency 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

All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

O. Retirement and Other Employee Benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss whenever services are rendered. The company has no obligation, other than the contribution payable to the provident fund.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

The company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

P. Income Taxes

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

Deferred income tax reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

Q. Segment Reporting

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

R. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

S. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

T. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

U. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

V. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

2. Share Capital

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Authorised :		
30,00,00,000 (30,00,00,000) Equity Shares of ₹10/- each	300.00	300.00
	300.00	**300.00**
Issued, Subscribed and Fully Paid Up :		
25,29,19,005 (25,29,19,005) Equity Shares of ₹10/- each	252.92	252.92
	252.92	**252.92**

a. **Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the period	25,29,19,005	252.92	25,29,19,005	252.92
At the end of the period	**25,29,19,005**	**252.92**	**25,29,19,005**	**252.92**

b. **Terms/ rights attached to Equity shares**

The Company has only one class of equity shares having a face value of ₹10 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

During the year ended 31 March 2013, the amount of dividend per share recognized as distribution to equity shareholders was ₹0.55 (₹0.55).

In the event of winding-up of the company, the equity shareholders shall be entitled to be repaid remaining assets of the company in the ratio of the amount of capital paid up on such equity shares.

c. **Equity shares held by holding company**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Dalmia Bharat Limited (holding company)	**21,50,00,000**	215.00	**21,50,00,000**	215.00
(formerly known as Dalmia Bharat Enterprises Ltd.)				

d. **Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Ltd.)	21,50,00,000	85.01%	21,50,00,000	85.01%
KKR Mauritius Cements Investments Limited	3,79,19,005	14.99%	3,79,19,005	14.99%

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Business Restructuring Reserve		
Opening Balance as per last financial statements	1,833.51	1,833.51
Closing Balance	**1,833.51**	**1,833.51**
Securities Premium Reserve		
Opening Balance as per last financial statements	458.70	458.70
Closing Balance	**458.70**	**458.70**
Debenture Redemption Reserve		
Opening Balance as per last financial statements	58.54	48.75
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	17.29	9.79
Closing Balance	**75.83**	**58.54**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	129.15	0.83
Profit for the year	156.93	154.27
Less: Appropriations		
Transfer to debenture redemption reserve	17.29	9.79
Proposed Dividend on equity shares	13.91	13.91
Dividend Distribution Tax	2.37	2.25
Total Appropriations	33.57	25.95
Net Surplus in the Statement of Profit and Loss	**252.51**	**129.15**
Total reserves and surplus	**2,620.55**	**2,479.90**

4. Long Term Borrowings

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012	
Secured					
A.	**Redeemable Non-Convertible Debentures**	456.00		280.00	
	Less: Shown in current maturities of long term borrowings	54.00	402.00	24.00	256.00
B.	**Term Loans:**				
	i. From Banks	1,369.89		987.16	
	Less: Shown in current maturities of long term borrowings	55.92	1,313.97	70.51	916.65
	ii. From Others		289.46		256.20
	(A)		**2,005.43**		**1,428.85**
	Unsecured				
C.	**Fixed Deposits***	6.54		6.56	
	Less: Shown in current maturities of long term borrowings	2.29	4.25	3.18	3.38
D.	**Deferred payment liabilities**	66.83		73.71	
	Less: Shown in current maturities of long term borrowings	8.92	57.91	4.73	68.98
E.	**From Bank**	0.31		0.33	
	Less: Shown in current maturities of long term borrowings	0.03	0.28	0.02	0.31
	(B)		**62.44**		**72.67**
	Total long term borrowings (A+B)		**2,067.87**		**1,501.52**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

1) Debentures referred to in A above to the extent of:

i) 10.75%, ₹100 Cr (Nil) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018.

ii) 11%, ₹100 Cr (Nil) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018 with a put/ call option at end of 5 years at par in January 2018 for full amount.

iii) 9.00%, Series XB ₹28 Cr (₹40 Cr) are secured by a first pari-passu charge on whole of the movable and immovable properties (except trade receivables) of Cement unit at Dalmiapuram & redeemable in two yearly instalments of ₹12 Cr and ₹16 Cr on Dec 2013 & Dec 2014.

iv) 8.90%, Series XA ₹28 Cr (₹40 Cr) are secured by a first pari-passu charge on whole of the movable and immovable properties (except trade receivables) of Cement unit at Dalmiapuram & redeemable in two yearly instalments of ₹12 Cr and ₹16 Cr on Dec 2013 & Dec 2014.

v) 10.35%, Series XIII ₹100 Cr (₹100 Cr) are secured by a first pari-passu charge on the Immovable properties of Cement unit at Dalmiapuram & redeemable in three yearly equal instalments commencing from May 2014.

vi) 9.00%, Series XI A ₹50 Cr (₹50 Cr) are secured by a first pari-passu charge on all the movable and immovable properties of Cement Unit at Dalmiapuram (except inventories and trade receivables) & redeemable in three yearly instalments in the ratio of 30:30:40 commencing from October 2013.

vii) 8.87%, Series XI ₹50 Cr (₹50 Cr) are secured by a first pari-passu charge on all the movable and immovable properties of Cement unit at Dalmiapuram (except inventories and trade receivables) & redeemable in three yearly instalments in the ratio of 30:30:40 commencing from May 2013.

2) Term Loans from Banks referred to in B (i) above to the extent of:

i) Libor plus 2.146% (presently 2.6218%) ₹51.17 Cr (₹58.66 Cr) are secured by way of exclusive charge on Vertical roller mills & other machineries and equipments acquired through this loan for projects at Cuddapah & Ariyalur. The Loan has been availed in foreign currency repayable in half yearly installments of USD 0.10 Cr. each till July 2017.

ii) ₹868.72 Cr (₹891.00 Cr) are secured by exclusive first charge on land and building and hypothecation of all the fixed assets of Cement units at Cuddapah and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments for projects at Cuddapah & Ariyalur acquired under foreign currency loan at base rate plus 1.50% (present 11.25%). It is repayable within 38 unequal quarterly installment in the range of ₹11.14 Cr to ₹47.33 Cr each till Sep 2022.

iii) Nil (₹37.50 Cr) are secured by exclusive first charge on land and building and hypothecation of all the fixed assets of Cement units at Cuddapah and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments for projects at Cuddapah & Ariyalur acquired under foreign currency loan.

iv) ₹100.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.05% (present 11.55%). It is repayable within 6 unequal annual installment in the range of ₹5.00 Cr to ₹30.00 Cr each commencing after 2 years from 1st disbursement, i.e. Nov 2014.

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

v) ₹150.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.75% (present 11.75%). It is repayable within 24 equal quarterly installments commencing from December 2016.

vi) ₹200.00 Cr (Nil) are secured by a first charge by way of mortgage over all the immovable properties, assets and movable fixed assets of Belgaum Project and land of its subsidiary company and second charge on entire fixed assets of the company at base rate plus 1.50% (present 11.20%). It is repayable within 40 unequal quarterly installments in the range of ₹2.36 Cr to 23.63 Cr commencing from 18 months after Commercial operation date or 1st Jan,2017 whichever is earlier.

3) **Term Loans from others referred to in B (ii) above to the extent of:**
0.10%, ₹289.46 Cr (₹256.20 Cr) are secured by a first pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2017-18 but repayment schedule is yet to be finalised.

4) **Fixed deposit referred to in C above to the extent of:**
₹6.54 Cr (₹6.56 Cr) are repayable in next 1 month to 36 months with interest rate in the range of 9.50% to 10%.
*Includes from Directors ₹0.22 Cr (₹0.29 Cr)

5) Interest free, ₹66.83 Cr. (₹73.71 Cr) deferred payment liabilities referred to in D above are repayable after 10 years from date of deferrment and is payable in instalments of ₹0.05 Cr to ₹6.59 Cr till FY 2016-17.

6) Housing loans from Bank referred to in E above to the extent of ₹0.03 Cr (₹0.05 Cr) is payable at applicable interest rate in unequal monthly installment in the range of ₹0.0018 Cr to ₹0.0025 Cr each till FY 2014-15. For ₹0.28 Cr (₹0.28 Cr) repayment terms are yet to be communicated by bank.

5. Deferred Tax Liability (Net)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax assets/ liabilities are attributable to the following items:		
Liabilities		
Depreciation	115.30	79.24
Assets		
Expenses allowable for tax purpose when paid	1.19	1.32
Provision for doubtful debts and advances	5.25	4.58
Others	0.03	0.04
	6.47	**5.94**
Net	**108.83**	**73.30**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Security deposit received	67.50	66.85
Retention Money Payable	9.82	-
Purchase Consideration payable for investments (Refer Note 49)	107.67	-
Other Liabilities	3.10	3.43
	188.09	**70.28**

7. Long Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for Mines reclamation liability	7.26	2.21
Provision for leave encashment	5.13	2.64
Provision for other employee benefits	7.62	6.45
	20.01	**11.30**

8. Short Term Borrowings

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
A. Working capital loan from Banks	30.05	12.28
B. Foreign currency loan from Banks	213.33	207.53
(A)	**243.38**	**219.81**
Unsecured		
C. Fixed Deposits	**0.77**	**1.03**
(B)	**0.77**	**1.03**
Total short term borrowings (A+B)	**244.15**	**220.84**

A) Working capital loans are secured by hypothecation of inventories and other assets in favour of the participating banks ranking pari-passu on inter-se basis, repayable in next one year and carry interest rate @ 10.25%

B) Foreign currency loans have been secured against the pledge of mutual funds units held by the company, its holding company and associate repayable in next 1 month to 7 months with Interest in the range of LIBOR Plus 0.18% to 0.40% (Presently 0.4666% to 0.6042%).

C) Fixed deposit referred to in C above to the extent of:
₹0.77 Cr (₹1.03 Cr) are repayable in next 1 month to 1 year with interest rate in the range of 9.00% to 9.25%.

9. Trade Payables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
	186.49	135.05
(Refer note 32 for dues to Micro & Small Enterprises)	**186.49**	**135.05**

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

10. Other Current Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	121.16	102.44
Interest accrued but not due on borrowings	10.75	6.28
Advance from customers	11.15	14.93
Security deposit received	3.78	3.03
Capital Creditors	23.11	3.74
Directors' Commission payable	0.50	0.40
Unclaimed Fixed Deposits and interest thereon*	0.10	0.17
Purchase Consideration payable (Refer Note 48)	30.00	-
Other liabilities		
Statutory dues	36.37	49.82
Others	3.55	5.37
	240.47	**186.18**

* Not due for deposit with Investor Education & Protection Fund.

11. Short Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Proposed dividend	13.91	13.91
Dividend distribution tax	2.37	2.25
Provision for employee benefits	0.86	0.41
	17.14	**16.57**

12. Fixed Assets

(₹ Crore)

	Tangible						Intangible	Total
	Land	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer Software	
Cost								
as at 1st April 2011	277.24	259.64	2,676.60	3.17	8.75	18.02	4.49	3,247.91
Additions during the year	8.03	1.44	33.17	0.06	1.52	1.73	0.25	46.20
Disposals during the year	-	0.10	12.33	-	0.07	-	-	12.50
as at 31st March 2012	**285.27**	**260.98**	**2,697.44**	**3.23**	**10.20**	**19.75**	**4.74**	**3,281.61**
Additions during the year	10.97	18.93	81.24	0.25	0.90	1.86	1.94	116.09
Disposals during the year	0.07	0.15	3.05	-	0.08	-	-	3.35
as at 31st March 2013	**296.17**	**279.76**	**2,775.63**	**3.48**	**11.02**	**21.61**	**6.68**	**3,394.35**
Depreciation/ Amortization								
as at 1st April 2011	-	7.05	141.32	0.55	0.90	2.66	1.50	153.98
Charge for the year	-	7.39	148.10	0.22	0.94	2.22	1.54	160.41
On Disposals	-	-	0.41	-	0.01	-	-	0.42
as at 31st March 2012	**-**	**14.44**	**289.01**	**0.77**	**1.83**	**4.88**	**3.04**	**313.97**
Charge for the year	-	6.82	146.43	0.21	1.13	2.25	2.09	158.93
On Disposals	-	-	0.23	-	0.01	-	-	0.24
as at 31st March 2013	-	21.26	435.21	0.98	2.95	7.13	5.13	472.66
Net Block								
as at 31st March 2012	**285.27**	**246.54**	**2,408.43**	**2.46**	**8.37**	**14.87**	**1.70**	**2,967.64**
as at 31st March 2013	**296.17**	**258.50**	**2,340.42**	**2.50**	**8.07**	**14.48**	**1.55**	**2,921.69**

Note: Depreciation of ₹0.04 crore (Nil) is charged to other accounts (Refer Note 44).

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

13. Non-Current Investments

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Trade investments				
Investments in Associates				
Equity Shares				
Quoted				
2,58,14,904 (2,58,14,904) Shares of ₹2/- each fully paid up in OCL India Limited		408.27		408.27
Unquoted				
1,30,000 (1,30,000) Shares of ₹10/- each fully paid up in DCB Power Ventures Limited		91.08		91.08
Investments in Joint Venture				
Equity Shares				
Unquoted				
18,36,500 (18,36,500) Shares of ₹10/- each fully paid up in Khappa Coal Company Private Limited		1.84		1.84
Investments in Subsidiaries				
Equity Shares				
Unquoted				
50,000 (50,000) Shares of ₹10/- each fully paid up in Arjuna Brokers & Minerals Limited.	0.05		0.05	
16,17,11,000 (16,17,11,000) Shares of ₹10/- each fully paid up in Dalmia Cement Ventures Limited.	162.46		162.46	
2,50,000 (2,50,000) Shares of ₹10/- each fully paid up in D.I Properties Limited.	0.25		0.25	
50,000 (50,000) Shares of ₹10/- each fully paid up in Dalmia Minerals & Properties Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Geetee Estates Limited.	0.05		0.05	
2,50,000 (2,50,000) Shares of ₹10/- each fully paid up in Hemshila Properties Limited.	0.25		0.25	
50,000 (50,000) Shares of ₹10/- each fully paid up in Ishita Properties Limited.	1.30		1.30	
50,000 (50,000) Shares of ₹10/- each fully paid up in Shri Radha Krishna Brokers & Holdings Limited.	0.05		0.05	
2,50,000 (2,50,000) Shares of ₹10/- each fully paid up in Shri Rangam Properties Limited.	0.25		0.25	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Dhandauthapani Mines & Minerals Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Madhusudana Mines & Properties Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Shanmugha Mines & Minerals Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Subramanya Mines & Minerals Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Swaminatha Mines & Minerals Limited.	0.05		0.05	
50,000 (50,000) Shares of ₹10/- each fully paid up in Sri Trivikrama Mines & Properties Limited.	0.05		0.05	
26,72,84,485 (2,75,00,000) Shares of ₹10/- each fully paid up in Calcom Cement India Limited	251.59		27.93	
(Refer note 48)				
2,55,32,375 (Nil) Shares of ₹10/- each fully paid up in Adhunik Cement Limited	390.64	807.24	-	192.94
(Refer note 49)				

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Others		
Debentures		
Unquoted		
5,900 (5,900) zero coupon optionally redeemable convertible debentures of ₹1,00,000/- each in Saroj Sunrise Pvt. Ltd.	59.00	59.00
(Refer note 48)		
Other Investments		
Units of Mutual Funds (Quoted)		
Debt based schemes	-	138.89
Total	**1,367.43**	**892.02**
Quoted (including Mutual Funds):		
Book Value	408.27	547.16
Market Value	368.51	397.86
Book Value of Unquoted Investments	959.16	344.86

14. Long Term Loans and Advances (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Capital advances	102.30	4.63
Security deposit	17.72	15.98
Loans and advances to:		
Employees@	0.08	0.74
Related Parties: (Refer note 46)		
Advance against Share Application Money	4.28	4.28
Advance for Warrants	56.74	56.73
Others	86.53	53.46
Advance for purchase of investments (Refer Note 49)	81.29	-
Advances recoverable in cash or in kind or for value to be received	55.97	31.80
Advance Income Tax (Net of Provision for Tax ₹147.16 Cr (₹70.21 Cr))	14.84	9.15
Deposit and Balances with Government Departments and Other Authorities	24.46	12.15
	444.21	**188.92**
@includes due from officers of the Company	0.08	0.74

15. Current Investments

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Units of Mutual Funds (Quoted)		
Debt based schemes	384.39	305.69
Total	**384.39**	**305.69**
Quoted		
Book Value	384.39	305.69
Market Value	411.62	309.49

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

16. Inventories

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
(Mode of valuation - refer note 1(k) on inventories)		
Raw Materials		
On hand	10.56	9.57
In transit	0.09	-
Packing Materials		
On hand	15.62	4.71
In transit	0.85	0.53
Work in Progress	**26.81**	**36.61**
Finished Goods		
On hand	33.03	19.15
In transit	5.61	7.16
Stores, Spares etc		
On hand	158.86	124.01
In transit	2.41	27.46
	253.84	**229.20**

17. Trade Receivables

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012	
a)	**Receivables outstanding for a period exceeding six months from the date they are due for payment**				
	Considered good				
	Secured		0.90		0.96
	Unsecured		0.72		2.25
	Considered doubtful	14.80		14.11	
	Less: Provision for Bad and Doubtful receivables	14.80	-	14.11	-
	(A)		**1.62**		**3.21**
b)	**Other receivables**				
	Considered good				
	Secured		64.31		60.73
	Unsecured		148.95		133.94
	Considered doubtful	0.66		-	
	Less: Provision for Bad and Doubtful receivables	0.66	-	-	-
	(B)		**213.26**		**194.67**
	Trade Receivables (A+B)		**214.88**		**197.88**
	Less: Provision for Rebate / Discount		70.30		75.48
			144.58		**122.40**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

18. Cash and Cash Equivalents

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Cash on hand	0.09	0.05
Cheques in Hand	13.19	13.35
Balances with Scheduled Banks:		
On current accounts	38.17	29.66
On deposit accounts	0.76	1.84
Other bank balances		
Margin money (pledged with bank against bank guarantee)	0.07	0.01
	52.28	**44.91**

19. Short Term Loans and Advances

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
Loan to Employees*	0.01	0.02
Unsecured, considered good		
Loan and advances to		
Employees*	1.23	0.79
Related parties (Refer note 46)	36.78	1.89
Other loans and advances	30.59	108.12
Interest receivable (Refer note 46)	19.89	1.60
Deposit and Balances with Government Departments and Other Authorities	26.71	18.60
	115.21	**131.02**
*includes due from officers of the Company	1.24	0.34

20. Other Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Unamotised premium on forward contracts	0.87	-
	0.87	**-**

21. 1. Revenue from Operations

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from operations		
Cement Sales	2,705.81	2,498.49
Power Sales	73.00	48.02
Other operating revenue		
Sales Tax incentive (Refer Note 35)	9.36	11.82
	2,788.17	**2,558.33**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

21. 2. Other Income

(₹ Crore)

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Dividend income				
from non current Investments		11.62		10.33
from current investments		7.49		12.26
Interest Income on Bank deposits & other		24.53		7.45
Profit on sale of Investments	14.69		4.77	
Less: Loss on sale of Investments	0.05	14.64	-	4.77
Miscellaneous Receipts		17.42		20.45
		75.70		**55.26**

22. Cost of Raw Materials Consumed

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Class of Product		
Limestone	136.48	115.57
Gypsum	21.02	25.76
Fly ash	60.45	50.46
Others	17.72	15.07
	235.67	**206.86**

23. (Increase)/ Decrease in Inventories of Finished Goods and Work in Progress

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Finished Goods		
Closing stock	38.64	26.31
Opening stock	26.31	33.31
	(12.33)	**7.00**
Work-in-Process		
Closing stock	26.81	36.61
Opening stock	36.61	29.92
	9.80	(6.69)
	(2.53)	**0.31**

24. Employee Benefit Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages and Bonus	102.66	86.82
Contribution to Provident Fund and Other Funds	8.00	5.04
(Refer note 41)		
Workmen and Staff Welfare expenses	12.31	12.22
	122.97	**104.08**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

25. Other Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and Fuel (Refer note 35)	713.65	704.11
Packing Materials	108.02	98.87
Consumption of Stores and Spares Parts	12.17	5.65
Freight and Forwarding Charges	371.10	316.50
Repairs and Maintenance		
Plant & Machinery	60.26	66.05
Buildings	3.85	3.03
Rent	1.80	1.47
Rates and Taxes	4.14	3.15
Insurance	3.74	2.49
Management Service Charges	62.46	64.19
Branch Expenses	57.29	54.32
Excise duty variation on opening / closing inventories	3.31	0.82
Advertisement and Publicity	26.39	12.68
Exchange Fluctuation	0.27	5.36
Miscellaneous Expenses	115.78	101.11
	1,544.23	**1,439.80**

26. Finance Costs

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest		
On term loans and debentures	143.29	133.71
On borrowing from banks	16.23	0.04
Others	5.90	7.90
Other borrowing cost	26.98	4.17
Exchange differences to the extent considered as an adjustment to borrowing cost	3.91	5.14
	196.31	**150.96**

27. Earning Per Share

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit for calculation of basic and diluted EPS (₹ Crore)	156.93	154.27
Total number of equity shares outstanding at the end of the year	25,29,19,005	25,29,19,005
Weighted average number of equity shares in calculating basic and diluted EPS	25,29,19,005	25,29,19,005
Basic and Diluted EPS (₹)	**6.20**	**6.10**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

28. Contingent Liabilities (not provided for) in Respect of:

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	64.53	44.62
b)	Demand raised by following authorities in dispute:		
	Excise & Service tax	132.89	107.85
	Other tax matters	-	2.45
c)	Guarantees/Counter Guarantees given to banks on account of guarantees issued by the banks to Joint Venture	4.00	4.00
	Total	**201.42**	**158.92**

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

29. The Company has received summons from the Court of Principal Special Judge for CBI cases Hyderabad, under Section 120(b) read with Section 420 of IPC. The detailed Charge Sheet and other related papers from the Court are yet to be received. As per information available on record, the investigation was going on with regard to the following two matters:

i. Company's investments in Bharthi Cement, and

ii. Acquisition of Eswar Cements Pvt. Ltd.

As against the allegations that these investments were made for the benefit of an influential person in the state, prime accused in the case, both the above investments were genuine investments made by the Company as permitted under the Company's Memorandum & Articles of Association and duly approved by the Board of Directors.

30. Capital and Other Commitments

(₹ Crore)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	319.37	14.85
Other commitments (take or pay obligation for coal and power purchase) (net of advances)	69.52	85.45

31. Remuneration Paid to Auditors (included in Miscellaneous Expenses)

(₹ Crore)

Particulars	2012-13	2011-12
Statutory auditors		
a) as an auditor		
i) Statutory audit fee	0.25	0.22
ii) Tax audit fee	0.03	0.04
iii) Limited review	0.14	0.20
In other capacity		
i) Company law matter	0.06	0.01
ii) Certification fee	0.02	0.02
Reimbursement of expenses	0.11	0.11
Cost Auditor		
a) Audit Fee	0.01	0.01
b) For Expenses	-	-

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

32. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006

(₹ Crore)

Particulars	2012-13	2011-12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.06	0.07
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006	-	-
Total	**0.06**	**0.07**

33. Operating Lease

Assets taken on lease

The company has entered into cancellable lease agreements with an average life of between one to five years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the company by entering into these leases.

(₹ Crore)

Particulars	2012-13	2011-12
Lease payments for the year	43.04	43.91
Total	**43.04**	**43.91**

34. Particulars of Forward Contracts and Unhedged Foreign Currency Exposure as at the Balance Sheet date:

i. Forward contract outstanding as at Balance Sheet date:

Particulars	Currency	Amount in Foreign Currency	Amount (₹ Crore)	Purpose
Buy	Euro	4,34,400 (47,900)	3.28 (0.32)	To hedge the import payables for Spare Parts.
Total	**Euro**	**4,34,400 (47,900)**	**3.28 (0.32)**	
Buy	GBP	- (57,804)	- (0.46)	To hedge the import payables for Spare Parts.
Total	**GBP**	**- (57,804)**	**- (0.46)**	
Buy	USD	- (918,000)	- (4.60)	To hedge the import payables for capital goods.
Buy	USD	11,721,094 (14,464,800)	66.66 (72.08)	To hedge the import payables for Coal and spare parts.
Buy	USD	- (36,949,536)	- (192.60)	To hedge the repayment of principal and interest foreign currency loans.
Total	**USD**	**11,721,094 (52,332,336)**	**66.66 (269.28)**	

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

ii. **Particulars of unhedged foreign currency exposure:**

Particulars	Amount in Foreign Currency	Amount (₹ Crore)
Foreign currency loans and interest thereon	USD 36,917,979 (USD 15,110,511) (Closing rate 1 USD =₹54.355 (₹51.49))	200.67 (77.80)
Trade Payables for Coal	USD 4,800,656 (Nil) (Closing rate 1USD = ₹54.355 (₹51.49))	26.09 (-)
Trade Payables for Packing Bags	USD 70,100 (Nil) (Closing rate 1USD = ₹54.355 (₹51.49))	0.38 (-)
Payables for Capital Goods	EURO 868,357 (Nil) (Closing rate 1 EURO = ₹70.51 (N.A.))	6.12 (-)
Payables for Purchase of Spare Parts	EURO 2,262 (Nil) (Closing rate 1 EURO = ₹70.51 (N.A.))	0.02 (-)
Trade Receivables for Export Sales	USD 37,957 (Nil) (Closing rate 1 USD = ₹54.355 (₹51.49))	0.21 (-)

35. The Company has recognized power and sales tax incentives at its at Kadappa unit, Andhra Pradesh under the Industrial Investment Promotion policy 2005-2010 issued by Government of Andhra Pradesh. Under the policy, the Company is entitled to power cost reimbursement in excess of ₹2.50 per unit of power consumed and 25% of Central Sales Tax and Value Added Tax paid in Andhra Pradesh. The Company has recognized the same as revenue grant as per Accounting Standard -12. The amounts recognized in Statement of Profit and Loss is as given below:-

(₹ Crore)

Particulars	2012-13	2011-12
Power incentive (netted from Power and Fuel in Note 25)	11.62	4.87
Sales tax incentive (Other Operating Revenue in Note 21.1)	9.36	11.82
Total	**20.98**	**16.69**

36. Details of Finished Goods

(₹ Crore)

Class of Product	2012-13	2011-12
Opening stock		
Cement	26.31	33.31
Closing stock		
Cement	38.64	26.31

37. CIF Value of Imports

(₹ Crore)

Particulars	2012-13	2011-12
Raw Materials	1.67	-
Stores & spares	5.84	8.13
Coal	483.74	418.24
Capital Goods	69.51	-
Total	**560.76**	**426.37**

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

38. Expenditure in Foreign Currency (Accrual basis):

(₹ Crore)

Particulars	2012-13	2011-12
Professional and Consultation Fees	3.06	3.21
Interest	5.74	2.59
Travelling expense	0.06	0.04
Bank Charges & Other Borrowing costs	24.00	2.43
Packing Material	3.32	0.26
Others	0.60	0.64
Total	**36.78**	**9.17**

39. Expenditure in Foreign Currency (Accrual basis):

(₹ Crore)

Particulars	2012-13	2011-12
Export of goods at FOB value	12.03	1.95
Total	**12.03**	**1.95**

40. Details Regarding Imported and Indigenous Materials Consumed During the Year:

Particulars	Imported		Indigenous		Total consumption value (₹ Crore)
	Value (₹ Crore)	% to total consumption	Value (₹ Crore)	% to total consumption	
Raw Materials	**2.62**	**1.11**	**233.05**	**98.89**	**235.67**
	(-)	(-)	(206.86)	(100.00)	(206.86)
Spares Parts etc.	**4.21**	**6.28**	**62.85**	**93.72**	**67.06**
	(3.14)	(5.15)	(57.81)	(94.85)	(60.95)

41. Gratuity and Other Post Employment Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

Provident Fund

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing AS 15, Employee Benefit (Revised 2005) issued by the Accounting Standards Board (ASB), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	2.21	1.15	0.59	0.67
Interest cost on benefit obligation	0.89	0.75	0.65	0.58
Expected return on plan assets	(1.15)	(1.07)	(0.65)	(0.57)
Net actuarial (gain)/ Loss recognized in the year	1.35	(0.05)	0.06	(0.01)
Net Benefit Expense	3.30	0.78	0.65	0.67
Actual return on planned assets	1.13	1.07	-	-

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Present value of defined benefit obligation as at year-end	14.89	11.06	7.24	7.63
Fair value of plan assets as at year-end	14.75	12.22	7.12	7.59
Funded status {(Surplus/(Deficit)}	(0.14)	1.16	(0.12)	(0.04)
Net Asset/(Liability) as at year end	**(0.14)**	**1.16**	**(0.12)**	**(0.04)**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening defined benefit obligation	11.06	9.49	7.63	6.84
Contribution by plan participation / employees	-	-	0.72	0.67
Current service cost	2.21	1.15	0.59	0.67
Interest Cost	0.89	0.76	0.65	0.58
Benefits paid out of funds	(0.60)	(0.28)	(2.36)	(1.36)
Actuarial (gains)/ losses on obligation	1.33	(0.06)	0.01	(0.13)
Settlements / Transfer in	-	-	-	0.36
Closing defined benefit obligation	**14.89**	**11.06**	**7.24**	**7.63**

Changes in the fair value of plan assets are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Opening fair value of plan assets	12.22	11.43	7.59	6.67
Contribution by plan participation / employees	-	-	0.72	0.67
Actual return on plan assets	1.13	1.07	0.65	0.57
Contribution by employer	2.00	-	0.59	0.67
Benefits paid	(0.60)	(0.28)	(2.36)	(1.36)
Actuarial gains/ (losses) on obligation	-	-	(0.07)	0.01
Settlements / Transfer in	-	-	-	0.36
Closing fair value of plan assets	**14.75**	**12.22**	**7.12**	**7.59**

The Company expects to contribute ₹3.06 Cr (₹0.83 Cr) to gratuity and ₹0.70 Cr (₹0.78 Cr) to PF trust in 2013-14.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Qualifying Insurance Policy	100%	100%	-	-
Govt. securities and financial securities as defined under Income Tax rules/ PF Rules	-	-	100%	100%

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining defined benefits for the Company are shown below:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2012-13	2011-12	2012-13	2011-12
Discount Rate	8.00%	8.00%	8.50%	8.00%
Expected rate of return on assets	9.40%	9.40%	-	-
Mortality Table	IALM (1994-96) duly modified	LIC (1994-96) duly modified	IALM (1994-96) duly modified	LIC (1994-96) duly modified
Salary Escalation	7.00%	7.00%	-	-

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous years in respect of defined benefit plans are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)			PF Trust (Funded)	
	2012-13	2011-12	2010-11	2012-13	2011-12
Defined benefit obligation	14.89	11.06	9.49	7.24	7.63
Plan assets	14.75	12.22	11.43	7.12	7.59
Surplus/ (deficit)	(0.14)	1.16	1.94	(0.12)	(0.04)
Experience adjustment on plan assets (loss)/ gain	(0.02)	0.02	0.81	-	-
Experience adjustment on plan liabilities (loss)/ gain	(1.33)	0.06	0.19	-	-

As AS-15 was applicable for the company from the financial year 2010-11, the above disclosure as required under para 120(n) has been made prospectively from the date it became applicable on the company. No actuarial valuation for PF Trust was carried out for financial year 2010-11 in absence of Guidance Note for the same.

Provident and other funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2012-13	2011-12
Provident Fund/Superannuation fund/ ESI/ Pension Scheme	4.05	3.59

42. **The Company is operating in single segment 'Cement' which is the primary business segment. Secondary segment by geographical location is as under:**

(₹ Crore)

Particulars	2012-13	2011-12
Domestic turnover	2,756.36	2,536.15
Export turnover	22.45	10.36
	2,778.81	**2,546.51**

There are no assets outside India except for trade receivables of ₹0.21 Cr (₹ Nil) as at year end.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

43. The company has debited direct expenses relating to limestone mining, captive power generation and Branch Expenses etc. to cost of raw material consumed, power& fuel and other accounts as under:

(₹ Crore)

Particulars	2012-13	2011-12
Cost of raw materials consumed	20.08	18.13
Power and fuel	41.80	40.92
Repair and maintenance to Plant & Machinery	36.58	39.82
Branch expenses	5.41	5.20
Repair and maintenance to building	0.32	0.07
	104.19	**104.14**

These expenses if reclassified on 'nature of expense' basis as required by Schedule VI will be as follows:

(₹ Crore)

Particulars	2012-13	2011-12
Consumption of stores and spare parts	54.89	55.30
Rent	41.24	42.44
Insurance	0.10	0.08
Salary and wages	3.95	3.04
Power Charges	0.16	-
Operations and Maintenance	3.85	3.28
	104.19	**104.14**

44. During the year, the Company has incurred some expenditure related to construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ Crore)

Particulars	2012-13	2011-12
Expenditure incurred during the year		
Employee benefit expenses	**3.01**	**-**
Other Expenses		
Consumption of Stores and Spare Parts	0.10	-
Rent	0.05	-
Insurance	0.25	-
Travelling	0.51	-
Professional Charges	6.66	-
Miscellaneous Expenses	2.47	-
Finance Cost		
Interest and other borrowing cost	8.37	-
Depreciation /Amortization	**0.04**	**-**
Total Expenditure during the year	**21.46**	**-**
Carried forward as part of Capital Work in Progress	**21.46**	**-**

45. Movement of long term provision during the year:

Mines Reclamation Liability

(₹ Crore)

Particulars	2012-13	2011-12
Opening Provision	2.21	-
Add : Provision during the year	5.05	2.21
Closing Provision	7.26	2.21

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

Mines reclamation expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of the reclamation expenditure.

46. Related Party Disclosure as required by Accounting Standard-18.

i. **List of related parties along with nature and volume of transactions is given below:**

Related parties where control exists:

a) **Holding Company**
Dalmia Bharat Limited (formerly known as Dalmia Bharat Enterprises Limited)

b) **Subsidiaries of the Company**
Arjuna Brokers & Minerals Limited, Dalmia Cement Ventures Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Ishita Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Adhunik Cement Limited and Calcom Cement India Limited.

c) **Step down Subsidiaries of Dalmia Cement Ventures Limited**
Golden Hills Resort Private Limited and Rajputana Properties Private Limited

d) **Step down Subsidiaries of Dalmia Minerals & Properties Limited**
Cosmos Cements Limited and Sutnga Mines Private Limited

e) **Step down Subsidiary of Adhunik Cement Limited**
Adhunik MSP Cement (Assam) Limited

f) **Step down Subsidiaries of Calcom Cement India Limited**
Vinay Cements Limited, RCL Cements Limited and SCL Cements Limited

Related parties with whom transactions have taken place during the year:

a) **Associate of the Company**
OCL India Limited and DCB Power Ventures Limited

b) **Key Management Personnel of the Company**
Shri Jai Hari Dalmia-Director, Shri Yadu Hari Dalmia-Director, Shri Gautam Dalmia - Managing Director, Shri Puneet Yadu Dalmia – Managing Director.

c) **Enterprises controlled by the Key Management Personnel of the Company**
Shri Nataraj Ceramic and Chemical Industries Limited, Keshav Power Limited, Dalmia Bharat Sugar and Industries Limited.

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

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

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate	Joint Venture	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods & services	3.26	0.02	-	-	-	0.62	3.90
	(5.32)	(-)	(9.54)	(-)	(-)	(0.48)	(15.34)
Reimbursement of expenses – Receivable	0.78	1.14	0.04	-	-	0.07	2.03
	(0.36)	(0.15)	(0.10)	(-)	(-)	(0.10)	(0.71)
Interest Receipt	-	20.26	-	-	-	-	20.26
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses - Payable	3.70	0.18	0.10	-	-	0.05	4.03
	(0.45)	(0.07)	(-)	(-)	(-)	(0.14)	(0.66)
Purchase of goods and services	84.34	-	0.08	-	-	30.17	114.59
	(80.24)	(-)	(-)	(-)	(-)	(25.98)	(106.22)
Rent/Lease rent payment	-	0.06	35.40	-	-	-	35.46
	(-)	(0.04)	(35.40)	(-)	(-)	(-)	(35.44)
Capital Advances transferred	-	13.13	-	-	-	-	13.13
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans and Advances given	38.00	267.29	-	-	-	-	305.29
	(-)	(5.18)	(-)	(0.24)	(-)	(-)	(5.42)
Sale of Fixed Assets	-	0.08	-	-	-	-	0.08
	(-)	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Purchase of Fixed Assets / CWIP	-	45.11	0.23	-	-	-	45.34
	(-)	(0.60)	(-)	(-)	(-)	(0.11)	(0.71)
Dividend Income	-	-	11.62	-	-	-	11.62
	(-)	(-)	(10.33)	(-)	(-)	(-)	(10.33)
Security Deposits Paid	-	0.01	-	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest paid	0.71	-	-	-	-	-	0.71
	(-)	(-)	(-)	(-)	(-)	(0.03)	(0.03)
Purchase of Equity Share Capital	-	145.00	-	-	-	-	145.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Warrant Application Money	-	0.01	-	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sitting fees	-	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Salary & Perquisites *	-	-	-	-	13.47	-	13.47
	(-)	(-)	(-)	(-)	(8.11)	(-)	(8.11)

(*does not includes provision made for leave encashment and gratuity as the same are determined for the Company as a whole)

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

1. Sale of goods & services includes transaction with Dalmia Bharat Limited ₹3.26 Cr (Previous Year ₹5.32 Cr), OCL India Limited ₹0.02 Cr (Previous Year ₹9.54 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.60 Cr (Previous Year ₹0.40 Cr).
2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹0.78 Cr (Previous Year ₹0.36 Cr), Dalmia Cement Ventures Limited ₹0.07 Cr (Previous Year ₹0.12 Cr), OCL India Limited ₹0.04 Cr (Previous Year ₹0.10 Cr), Dalmia Bharat Sugar & Industries Limited ₹0.05 Cr (Previous Year ₹0.10 Cr), Adhunik Cement Limited ₹0.22 Cr (Previous Year Nil), Calcom Cements India Limited ₹0.84 Cr (Previous Year Nil).
3. Interest received includes transaction with Calcom Cement India Limited ₹16.37 Cr (Previous Year Nil), Adhunik Cements Limited ₹3.90 Cr (Previous Year Nil)
4. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹3.70 Cr (Previous Year ₹0.45 Cr), Dalmia Cement Ventures Limited ₹0.18 Cr (Previous Year ₹0.07 Cr), Dalmia Bharat Sugar & Industries Limited ₹0.05 Cr (Previous Year ₹0.14 Cr).
5. Purchase of goods and services includes transaction with Dalmia Bharat Limited ₹84.34 Cr (Previous Year ₹80.24 Cr), Keshav Power Limited ₹27.89 Cr (Previous Year ₹24.72 Cr).
6. Rent/ lease rent payment includes transaction with DCB Power Ventures Limited ₹35.40 Cr (Previous Year ₹35.40 Cr).
7. Capital advances transferred includes transaction with Dalmia Cement Ventures Limited ₹13.13 Cr (Previous Year Nil).
8. Loan and advances given includes transaction with Dalmia Bharat Limited ₹38.00 Cr (Previous Year Nil), Dalmia Minerals & Properties Limited ₹0.76 Cr (Previous Year ₹0.45 Cr), Geetee Estates Limited ₹2.16 Cr (Previous Year ₹4.00 Cr), Calcom Cements India Limited ₹110.31 Cr (Previous Year Nil), Adhunik Cements Limited ₹122.68 Cr (Previous Year Nil).
9. Sale of Fixed Assets includes transaction with Dalmia Bharat Sugar & Industries Limited Nil (Previous Year ₹0.01 Cr), Dalmia Cement Ventures Limited ₹0.08 Cr (Previous Year Nil).
10. Purchase of fixed assets includes transaction with Shri Trivikrama Mines and Properties Limited Nil (Previous Year ₹0.31 Cr), Dalmia Minerals & Properties Limited Nil (Previous Year ₹0.21 Cr), Himshikar Investment Limited Nil (Previous Year ₹0.10 Cr), Dalmia Cement Ventures Limited ₹45.11 Cr (Previous Year ₹0.04 Cr).
11. Dividend Income includes transaction with OCL India Limited ₹11.62 Cr (Previous Year ₹10.33 Cr).
12. Security Deposit paid includes transaction with Dalmia Cement Ventures Limited ₹0.01 Cr (Previous Year Nil).
13. Interest paid on includes transaction with Sh. Raghu Hari Dalmia Nil (Previous Year ₹0.84 Cr), Dalmia Bharat Limited ₹0.71 Cr (Previous Year Nil).
14. Purchase of Equity Share Capital includes transaction with Calcom Cement India Limited ₹145.00 Cr (Previous Year Nil).
15. Warrant Application Money includes transaction with Calcom Cement India Limited ₹0.01 Cr (Previous Year Nil).
16. Sitting fees includes transaction with Sh. Jai Hari Dalmia ₹0.01 Cr (Previous Year Nil), Sh. Yadu Hari Dalmia ₹0.01 Cr (Previous Year Nil).
17. Salary & Perquisities includes transaction with Sh. Puneet Yadu Dalmia ₹6.69 Cr (Previous Year ₹4.05 Cr), Sh. Gautam Dalmia ₹6.78 Cr (Previous Year ₹4.06 Cr)

Notes to Financial Statements
for the year ended 31st March, 2013 (contd...)

ii. **Balances outstanding at year end:**

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate	Joint Venture	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loans / Advances receivable	-	121.43	-	-	-	-	121.43
	(-)	(53.43)	(-)	(-)	(-)	(-)	(53.43)
Amounts payable	0.61	20.50	0.17	4.28	-	0.07	25.63
	(1.70)	(0.03)	(0.13)	(4.28)	(-)	(0.06)	(6.20)
Amounts payable	10.24	0.08	2.48	-	10.70	0.93	24.43
	(0.18)	(-)	(2.45)	(-)	(-)	(2.75)	(5.38)
Advances for Warrants	-	56.74	-	-	-	-	56.74
	(-)	(56.73)	(-)	(-)	(-)	(-)	(56.73)

Note: Investment with related parties are disclosed in Note 13.

1. Loan receivable includes Dalmia Minerals & Properties Limited ₹45.75 Cr (Previous Year ₹45.00 Cr), Adhunik Cements Limited ₹32.89 Cr (Previous Year Nil).

2. Amount receivable includes Dalmia Bharat Limited ₹0.61 Cr (Previous Year ₹1.70 Cr), Adhunik Cements Limited ₹3.73 Cr (Previous Year Nil), Calcom Cements India Limited ₹16.77 Cr (Previous Year Nil), Khappa Coal Company Private Limited ₹4.28 Cr (Previous Year ₹4.28 Cr).

3. Amount payable includes Dalmia Bharat Limited ₹10.24 Cr (Previous Year ₹0.18 Cr), DCB Power Ventures Limited ₹2.20 Cr (Previous Year ₹2.45 Cr), Sh. Puneet Yadu Dalmia ₹5.35 Cr (Previous Year Nil), Sh. Gautam Dalmia ₹5.35 Cr (Previous Year Nil), Keshav power Limited ₹0.82 Cr (Previous Year ₹2.52 Cr).

4. Advances for warrant includes Dalmia Cement Ventures Limited ₹56.73 Cr (Previous Year ₹56.73 Cr).

47. Information in respect of Joint venture – Khappa Coal Company Private Limited

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
1	Proportion of Ownership Interest	36.73%	36.73%
2	Country of Incorporation or Registration	India	India
3	Accounting Period ended	31.03.2013	31.03.2012
4	Current Assets	0.47	0.54
5	Non-Current Assets (including capital work in progress)	5.65	5.59
6	Current Liabilities	0.01	0.01
7	Non-Current Liabilities	4.28	4.28
8	Income	-	-
9	Expenses	-	-
10	Contingent Liabilities	1.43	1.43
11	Capital Commitments	-	-

Note: The above details represent Company's 36.73% share in the Joint Venture.

Notes to Financial Statements

for the year ended 31st March, 2013 (contd...)

48. In 2011-12 the Company had entered into definitive agreements with Calcom Cement India Limited ('Calcom'), Saroj Sunrise Private Limited ('SSPL') (a Company owned by the promoters of Calcom) and the promoters of Calcom whereby the Company had initially acquired a nominal stake of 14.59% ultimately extendable to 50% of the Equity Share Capital of Calcom. During the year, revised agreements have been entered into to increase the Company's nominal stake up to 66.26% (and voting stake of 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom. Out of the above, shares representing nominal stake of 14.23% of the Equity Share Capital of Calcom are in escrow, with beneficial ownership being with the Company, to be released at a future date upon satisfaction of certain conditions. The difference in nominal stake and voting stake arises due to non-voting shares of Calcom held by its subsidiaries. The Company has invested a total amount of ₹251.59 crore and ₹59.00 crore respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

    The OCDs are non-interest bearing and are secured by the pledge of 72,567,742 equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Company has an option either to get the debentures redeemed for an aggregate amount of ₹59.00 crore or convert into equity shares constituting 99.99% shareholding of SSPL.

    This is a long term strategic investment acquired recently at fair market value and there is no indicator of impairment during the year.

49. During the year, the Company has entered into definitive agreements with Adhunik Cement Limited ('Adhunik') and the promoters of Adhunik for acquisition of the entire paid-up equity share capital of Adhunik for a total consideration of ₹500.77 crore. The Company has initially acquired 77.50% shares and the balance 22.50% shares are held in escrow, with sellers being the beneficial owners, to be transferred to Company at a future date upon satisfaction of certain conditions. The Company has paid a total amount of ₹361.84 crore till the year end. On satisfaction of certain conditions, an additional consideration of ₹138.93 crore, subject to certain adjustment, is payable to the sellers of Adhunik. Management believes that the payment for additional consideration is probable and, therefore, proportionate amount for 77.50% shares has been accounted for as investment and corresponding liability has been recognized. Further, transaction costs have been recognized as cost of investment. The amount of additional consideration will be updated in future on actual determination and for any changes in management's assessment. This is a long term strategic investment acquired recently at fair market value and there is no indicator of impairment during the year.

50. In the opinion of the management there is no reduction in value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assets".

51. Previous Year Comparatives

    Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

for S.R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Place : Gurgaon
Date : May 28, 2013

for S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date : May 28, 2013

For and on behalf of the board of Directors of
Dalmia Cement (Bharat) Limited

Puneet Yadu Dalmia
Managing Director

Jai. H. Dalmia
Director

Jayesh Doshi
Executive Director
(Finance and Strategy)

Manisha Bansal
Company Secretary

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956

Subsidiary Companies	D.I. Properties Limited	Shri Rangam Properties Limited	Arjuna Brokers & Minerals Limited	Dalmia Minerals & Properties Limited	Shri Radha Krishna Brokers & Holdings Limited
1. Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2. Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3. Holding Company's interest in the share capital	100%	100%	100%	100%	100%
4. The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
(a) For the year ended 31-03-2013 (₹)	3,31,527	71,752	(-) 56,741	(-) 28,829	861
(b) For the previous financial years since it became Company's Subsidiary (₹)	2,21,026	26,071	3,53,852	(-) 35,549	(-) 21,368
5. The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Subsidiary Companies	Sri Shanmugha Mines & Minerals Limited	Sri Subramanya Mines & Minerals Limited	Ishita Properties Limited	Hemshila Properties Limited	Geetee Estates Limited
1. Financial year ending	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2. Date from which it became a subsidiary	01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3. Holding Company's interest in the share capital	100%	100%	100%	100%	100%
4. The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:					
(a) For the year ended 31-03-2013 (₹)	(-) 8,595	(-) 21,616	1,28,395	15,407	2,35,451
(b) For the previous financial years since it became Company's Subsidiary (₹)	1,97,026	(-) 33,911	(-) 4,23,70,140	(-) 11,846	1,31,419
5. The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:					
(a) For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956 (contd...)

Subsidiary Companies			Sri Swaminatha Mines & Minerals Limited	Sri Trivikrama Mines & Properties Limited	Sri Madhusudana Mines & Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Dalmia Cement Ventures Limited
1.	Financial year ending		31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary		01-04-2010	01-04-2010	01-04-2010	01-04-2010	01-04-2010
3.	Holding Company's interest in the share capital		100%	100%	100%	100%	100%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:						
	(a)	For the year ended 31-03-2013 (₹)	85,731	(-) 14,009	1,19,938	26,720	(-)16,88,389
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	10,014	(-)18,503	50,067	16,218	(-)36,85,43,094
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:						
	(a)	For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Subsidiary Companies			Golden Hills Resort Private Limited	Rajputana Properties Private Limited	Sutnga Mines Private Limited	Cosmos Cements Limited	Adhunik Cement Limited
1.	Financial year ending		31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary		01-04-2010	01-04-2010	01-04-2010	01-04-2010	28-09-2012
3.	Holding Company's interest in the share capital		100%	100%	100%	100%	77.50%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:						
	(a)	For the year ended 31-03-2013 (₹)	Nil	Nil	141,112	(-)75,813	(-) 9,45,90,092
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	(-) 548,636	(-)121,894	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:						
	(a)	For the year ended 31-03-2013 (₹)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil	Nil	Nil

Statement attached to Balance Sheet

as at 31st March, 2013 pursuant to Section 212 of the Companies Act, 1956 (contd...)

Subsidiary Companies			Adhunik MSP Cement (Assam) Limited	Calcom Cement India Limited	RCL Cements Limited
1.	Financial year ending		31-03-2013	31-03-2013	31-03-2013
2.	Date from which it became a subsidiary		28-09-2012	30-11-2012	30-11-2012
3.	Holding Company's interest in the share capital		77.50%	75.63%	75.63%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:				
	(a)	For the year ended 31-03-2013 (₹)	Nil	(-) 3,56,50,328	(-) 6,87,65,954
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:				
	(a)	For the year ended 31-03-2013 (₹)	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil

Subsidiary Companies			SCL Cement Limited	Vinay Cement Limited
1.	Financial year ending		31-03-2013	31-03-2013
2.	Date from which it became a subsidiary		30-11-2012	30-11-2012
3.	Holding Company's interest in the share capital		75.63%	73.51%
4.	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:			
	(a)	For the year ended 31-03-2013 (₹)	(-) 89,66,608	(-) 7,93,28,688
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil
5.	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:			
	(a)	For the year ended 31-03-2013 (₹)	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil

Jai H. Dalmia
Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Finance & Strategy)

Manisha Bansal
Company Secretary

New Delhi
Dated: May 28, 2013

Dalmia Bharat Cement

Statement Attached to Balance Sheet

as at 31st March, 2013

Details of Subsidiary Companies

(₹ Lakhs)

Name of Subsidiary Company	D.I. Properties Limited	Shri Rangam Properties Limited	Arjuna Brokers & Minerals Limited	Dalmia Minerals & Properties Limited	Shri Radha Krishna Brokers & Holdings Limited	Sri Shanmugha Mines & Minerals Limited	Sri Subramanya Mines & Minerals Limited	Ishita Properties Limited	Hemshila Properties Limited	Geetee Estates Limited	Sri Swaminatha Mines & Minerals Limited	Sri Trivikrama Mines & Properties Limited
Capital	25.00	25.00	5.00	5.00	5.00	5.00	5.00	5.00	25.00	5.00	5.00	5.00
Reserves & Surplus	35.68	51.12	2.28	(1.48)	3.31	1.19	2.81	(344.78)	29.97	39.76	16.56	11.37
Total Assets	62.74	395.18	8.84	4,578.75	8.76	613.50	262.57	102.02	693.67	660.90	131.28	483.10
Total Liabilities	2.06	319.07	1.56	4,575.23	0.45	607.31	254.76	441.80	638.70	616.14	109.73	466.73
Investments	-	50.56	-	1,250.18	-	-	-	49.50	42.29	-	-	-
Turnover/ Total Income	4.94	1.74	-	-	0.58	0.48	-	5.76	1.06	3.73	1.92	0.40
Profit/ (Loss) Before Taxation	4.07	0.87	(0.57)	(0.29)	0.01	(0.09)	(0.29)	1.77	0.19	2.90	1.07	(0.14)
Provision for Taxation	0.76	0.15	-	-	-	-	(0.07)	0.49	0.04	0.55	0.21	-
Profit/ (Loss) After Taxation	3.32	0.72	(0.57)	(0.29)	0.01	(0.09)	(0.22)	1.28	0.15	2.35	0.86	(0.14)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Sri Madhusudana Mines and Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Dalmia Cement Ventures Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited	Sutnga Mines Private Limited	Cosmos Cements Limited	Adhunik Cement Limited *	Adhunik MSP Cement (Assam) Limited *	Calcom Cement India Limited *	RCL Cement Limited *	SCL Cements Limited *	Vinay Cement Limited *
Capital	5.00	5.00	16,171.10	94.00	1.00	200.00	1,400.00	3,294.50	24.50	40,339.32	363.32	297.48	1,889.99
Reserves & Surplus	24.42	9.23	(3,630.33)	7.02	-	(3.38)	(23.19)	21,838.11	175.50	(20,547.52)	1,622.51	(1,157.78)	(4,179.99)
Total Assets	661.44	15.16	18,218.20	157.09	85.71	197.12	4,893.22	102,691.32	213.43	73,596.83	5,862.99	1,468.76	7,823.02
Total Liabilities	632.03	0.94	5,677.43	56.07	84.71	0.51	3,516.42	77,558.71	13.43	53,805.03	3,877.16	2,329.06	10,113.02
Investments	-	-	546.41	-	-	140.32	-	200.00	-	7,276.31	3,106.84	-	5,312.38
Turnover/ Total Income	2.40	1.21	65.78	-	-	2.42	0.01	35,642.12	-	10,050.51	261.86	65.55	2,624.86
Profit/ (Loss) Before Taxation	1.55	0.39	(9.94)	-	-	1.76	(0.76)	(23,364.28)	-	(5,444.37)	(1,099.50)	(284.78)	(2,254.45)
Provision for Taxation	0.35	0.12	6.94	-	-	0.35	-	-	-	-	44.42	-	29.73
Profit/ (Loss) After Taxation	1.20	0.27	(16.88)	-	-	1.41	(0.76)	(23,364.28)	-	(5,444.37)	(1,143.92)	(284.78)	(2,284.18)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

* Full year numbers are given

Corporate Information

Board of Directors

Pradip Kumar Khaitan
Chairman

Jai Hari Dalmia
Managing Director

Yadu Hari Dalmia
Managing Director

Gautam Dalmia
Director

Puneet Yadu Dalmia
Director

Asanka Rodrigo

N. Gopalaswamy

V. S. Jain

Cement Management Team

Gautam Dalmia

Puneet Yadu Dalmia

T. Venkatesan

Jayesh Doshi
Group Finance & Strategy

B. K. Singh
Group Marketing and Corporate Communication

Vipin Aggarwal
Business Head, South India Operations

Chandrashekar Kini
Business Head, North East India Operations

Company Secretary

Nidhi Bisaria

Statutory Auditors

S. S. Kothari Mehta & Co.

Corporate Office

11th & 12th Floor,
Hansalaya Building
15, Barakhamba Road,
New Delhi - 110 001

Registered Office

Dalmiapuram - 621 651
District Tiruchirapalli,
Tamil Nadu

Bankers

State Bank of India

Canara Bank

Corporation Bank

Punjab National Bank

The Hong Kong and Shanghai Banking Corporation Limited

Deutsche Bank

Axis Bank Limited

arinsight | (www.arinsight.com)

Dalmia
Bharat Limited

Corporate Office

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

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