Dalmia
Bharat Limited

ANNUAL REPORT 2013-14 ● DALMIA BHARAT LIMITED

EXPANDING HORIZONS. CONSOLIDATING CAPABILITIES.

At Dalmia Bharat Limited, we aim to be amongst the top cement producers in India.

Ariyalur Plant, Tamil Nadu

Ingenuity is applicable to all facets of life. In relation to our business, ingenuity is a competency that requires us to expand our perspective, set the context of a goal, understand the dynamics of an evolving industry and execute the strategies. We aim to be one of the leading players in India's cement industry.

For the last few years, we have made a focussed progress towards 'Expanding our Horizons'. We widened our presence in the Eastern part of India through acquisitions as well as brownfield and greenfield expansion. These initiatives would help us increase our market share in Eastern India, a region with huge potential.

Andrew Carnegie once said, "Watch the costs and the profits will take care of themselves." We remain focussed on enhancing our operating margins by achieving cost rationalisation and resource optimisation and ensuring operational effectiveness at each facility. We are taking further initiatives to optimise our margins by enhancing sales in the nearby markets and gaining higher realisations.

Moving forward, we continue to build. Our endeavour is constant value creation in the business we operate in, so as to generate a sustainable growth path for the future.

CONTENTS

GROWTH
WIDENING THE OPPORTUNITY GAMUT

EFFICIENCY
KEY FOCUS ON COST RATIONALISATION

SCALE
LEADING EFFECTIVE CHANGE

INCLUSION
TOGETHER, WE GROW

FINANCIAL STATEMENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pradip Kumar Khaitan
Chairman

Jai Hari Dalmia
Managing Director

Yadu Hari Dalmia
Managing Director

Gautam Dalmia

Puneet Yadu Dalmia

Asanka Rodrigo*

N. Gopalaswamy

V. S. Jain

* Resigned w.e.f. 15th May, 2014

MANAGEMENT TEAM

Gautam Dalmia

Puneet Yadu Dalmia

T. Venkatesan

Mahendra Singhi
Group CEO-Cement

Jayesh Doshi
Group Finance & Strategy

COMPANY SECRETARY

Nidhi Bisaria

AUDITORS

S. S. Kothari Mehta & Co.

MAJOR BANKERS

State Bank of India
Canara Bank
Corporation Bank
Punjab National Bank
HSBC
Deutsche Bank
Axis Bank

REGISTERED OFFICE

Dalmia Bharat Limited
Dalmiapuram - 621651,
Dist. Tiruchirapalli,
Tamil Nadu.

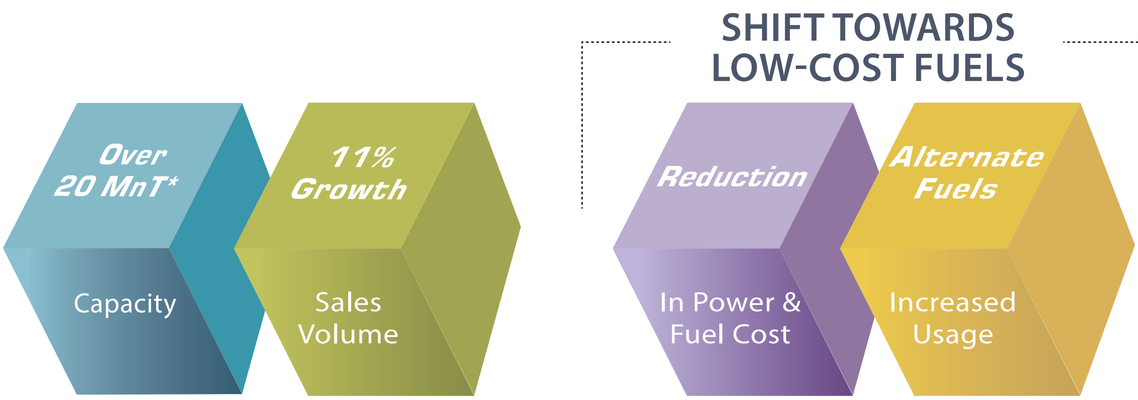
CORPORATE OFFICE

Hansalaya Building,
11th & 12th Floor,
15, Barakhamba Road,
New Delhi - 110 001.

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Plot Nos. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad – 500 081.

DALMIA BHARAT GROUP
INDIA'S LEADING CEMENT PLAYER



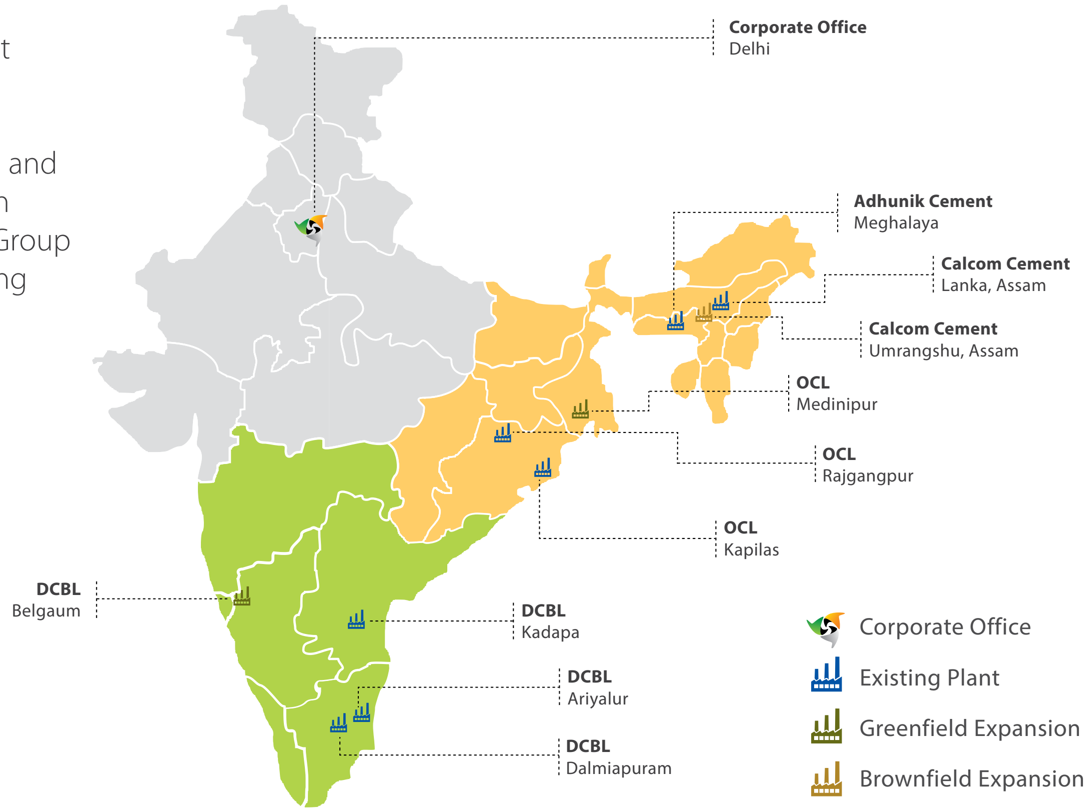
*Including subsidiaries and associate

We are one of the leading cement producers of India with an aggregated capacity of over 20 million tonnes (MnT) per annum (including subsidiaries and associate). With a presence in Southern, Eastern and North Eastern parts of India, we are dedicated to manufacture high-quality cement using the advanced technology in our production processes. We are the pioneers in super-specialty cements used for oil wells, railway sleepers and air-strips.

We remain focussed on achieving scale, deepening our product portfolio and widening our presence by way of organic and inorganic growth. Through advanced technology and resource optimisation, we are committed to create sustainable value for our shareholders.

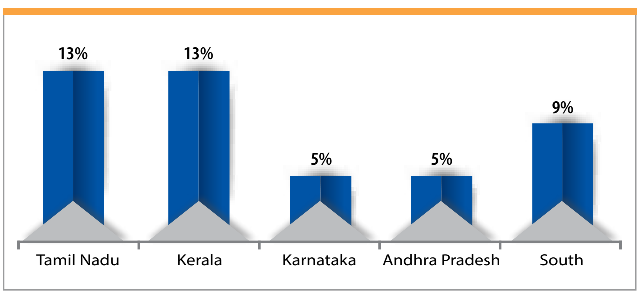
OUR PRESENCE

Our consistent pursuit is on geographical diversification and our focus is on growing our Group in a challenging economic environment.

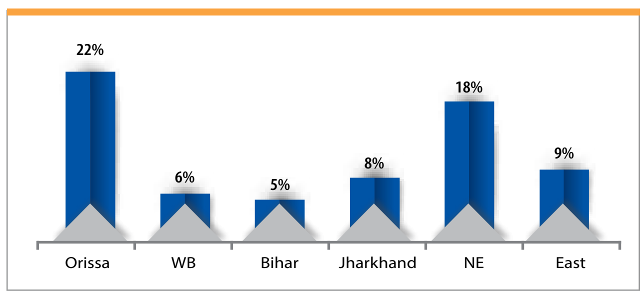


OUR MARKET SHARE

SOUTHERN REGION MARKET SHARE IN FY2014



EASTERN REGION & NORTH-EAST MARKET SHARE IN FY2014



Leading Cement Player in East India

Locational Advantage

Power Consumption in South - 72 MW/T

Multi-fuel Kilns and Boilers with Flexibility to use Blend of Fuels

OUR VALUES - HELP US GROW

LEARNING

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

Leveraging our key learnings to Strengthen our Operations.

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.

Teamwork with Speed – our Key to Readiness.

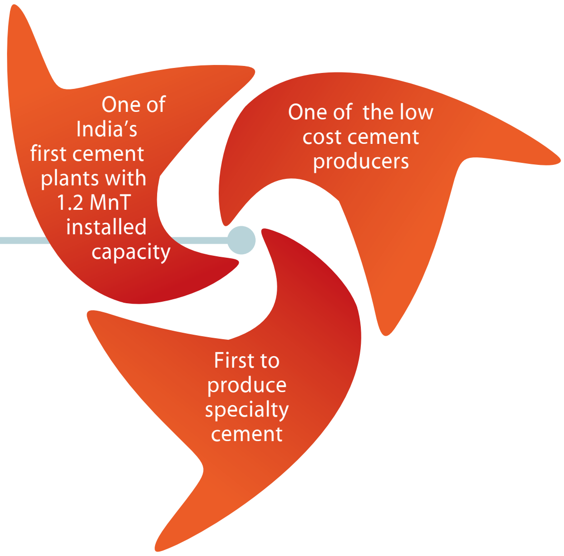
EXCELLENCE

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

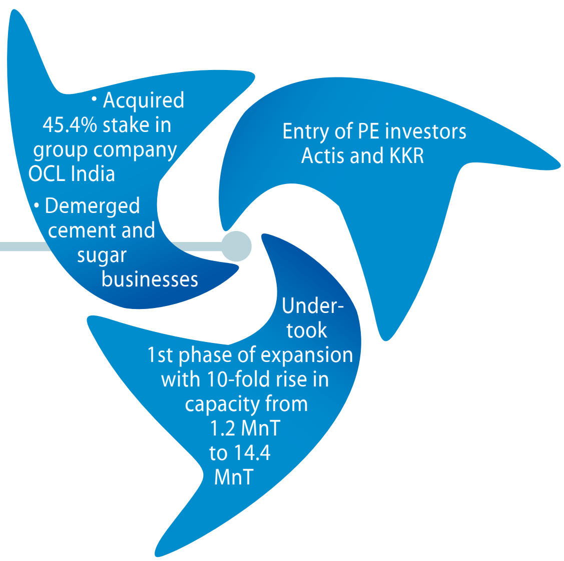
Innovation and Agility is the path to Excellence.

OUR EVOLUTION

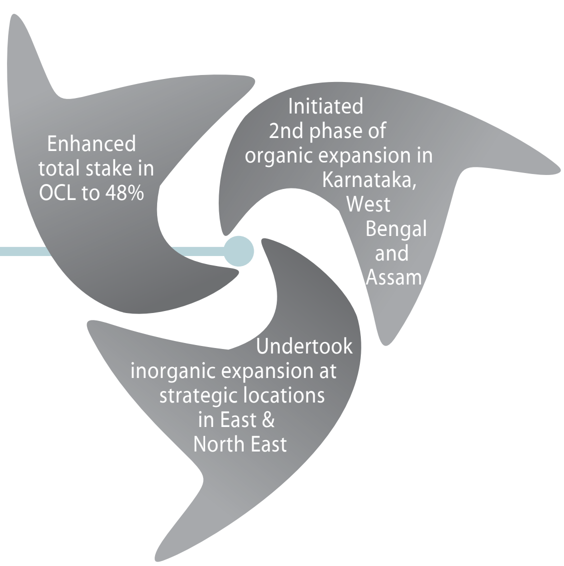
TILL 2005
A STEADY START



2006-2012
BUILT SCALE



2013-2014
RENEWED FOCUS ON OPERATIONS



LETTER TO SHAREHOLDERS

Puneet Dalmia, *Director*

Gautam Dalmia, *Director*

"Post-completion of all the expansions, our total capacity including all our subsidiaries and our associate will be over 20 MnT

Dear Shareholders,

At Dalmia Bharat Limited, we believe that by doing the right things, we can not only create value for our shareholders but also contributors to economic progress in the society. We are hopeful that post the formation of a stable Government and their initiatives towards infrastructure development will boost cement demand in the coming years.

During the year, your Company remained focussed on achieving scale and widening its presence by way of organic and inorganic growth and took important strides in execution of the same. Despite a challenging environment, your Company prudently continued the growth trajectory.

We signed a definitive agreement with Jaiprakash Associates Limited to acquire 74% stake in the Bokaro plant of Jaypee Cement Ltd., a JV with SAIL and also commissioned our grinding unit at Medinipur, West Bengal through your associate OCL. This is in line with our views that East is a stable growth market with less than average per capita consumption and fits into our strategy of leveraging our position in the eastern region. Brownfield expansion at Calcom, Assam and our Greenfield expansion project at Belgaum, Karnataka is progressing well and expected to commission during FY2015.

Our focussed initiatives have resulted in reduction of power and fuel costs per tonne primarily on account of optimising fuel mix. We remain committed towards further cost reduction and process optimisation.

Your Company has recommended a dividend of ₹ 2 per share (100%), on the face value of ₹ 2 per share.

Our strategy of sustainable growth would create value for all stakeholders. We have been successful in changing with the times and building for the future through a business model that helps in equitable growth for all sections of the society.

We would continue to invest in knowledge, enhancing our skill-sets, increasing brand visibility and strengthening our foundation. Our presence in more than one region shall enable us to take advantage of infrastructural growth spanning across India, while maintaining a healthy balance between sustainability, risk mitigation and value creation.

We take this opportunity to thank all our employees, our prime assets, 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. We also sincerely thank our Board of Directors for their invaluable contribution towards sound governance of the Company.

Yours Sincerely,

Gautam Dalmia
Director

Puneet Yadu Dalmia
Director

STRATEGIC HIGHLIGHTS

ENHANCING SCALE

Grinding unit by OCL, at **Medinipur, West Bengal,** an associate company (1.35 MnT)

A definitive agreement to acquire 74% stake of **Jaypee Cement in SAIL JV** in Bokaro (2.1 MnT)

Brownfield expansion at Calcom, Assam; taking total grinding capacity to 2.1 MnT & clinker capacity to 1.3 MnT

Greenfield project at **Belgaum, Karnataka** (2.5 MnT)

CONTINUOUS COST OPTIMISATION

Power and fuel cost down by 7% to ₹ 1,112 per tonne

Power consumption 72 kwh/T in South

“Focus on cost reduction through optimisation

Reduction in variable cost by 2% in South and 16% in Meghalya

Reduced power generation cost by 7% in South and 17.5% in Meghalaya

AWARDS AND ACCOLADES

OPERATIONAL EFFICIENCY

- Ariyalur unit has bagged 9th National Quality Control Award by the Quality Council of India for reduction in diesel consumption in the cement mill.
- Dalmiapuram unit won the National Award by National Council for Cement and Building Material (NCCBM) for the best electrical energy performance.
- Received National Energy Conservation Award for the year 2012-13 by the Ministry of Power, Government of India.

PUBLICITY

- Secured Gold Award for Masons Newsletter – Unnati by Public Relations Council of India (PRCI) Collateral Awards 2014.
- Received award for Technical Newsletter – TechThink by PRCI.
- Bagged Global Brand Excellence Awards 2013 by World Brand Congress for:
  - Effective use of Marketing Communication for HALC campaign
  - Emerging Brand in North East region

PEOPLE AND SAFETY

- Kadapa and Dalmiapuram units have been conferred with the prestigious EHS (Environment, Health & Safety) Award by the Confederation of Indian Industry.

SUSTAINABILITY

- Received Responsible Business Leader Award by World CSR Day, endorsed by the Asian Confederation of Businesses this year.
- Received the prestigious CII-ITC Sustainability Award 2013 for second consecutive year for contribution to sustainability and conservation of environment.

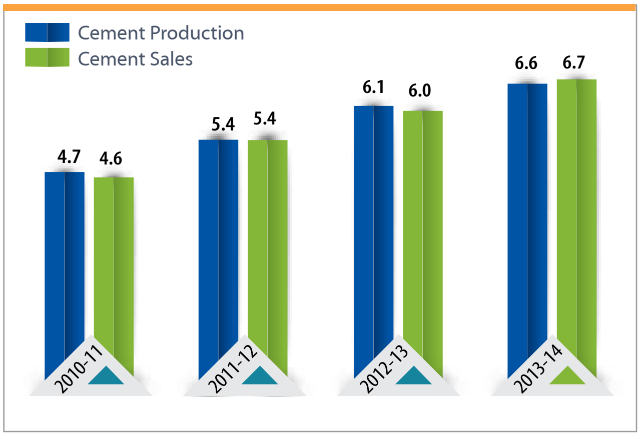
FINANCIAL HIGHLIGHTS

	UOM	2013-2014	2012-13	2011-12	2010-11
Production					
Clinker (MnT)	MnT	5.3	4.8	4.3	3.5
Cement (MnT)	MnT	6.6	6.1	5.4	4.7
Power (MW)	Mn Kwh	543	514	383	419
Sales					
Cement (MnT)	MnT	6.7	6.0	5.4	4.6
Power (MW)	Mn Kwh	152	134	94	154
Gross Operating Income	Cr	3,364	3,160	2,637	1,975
Net Operating Income	Cr	2,955	2,791	2,342	1,752
EBITDA	Cr	472	672	591	386
Cash Profit	Cr	157	440	439	214
Profit before Tax	Cr	(23)	274	270	71
Profit after Tax	Cr	(8)	197	143	50
Net worth	Cr	3,572	3,618	3,317	3,186
Loan Funds	Cr	4,273	3,431	1,829	1,930
Cash & Cash Equivalents	Cr	647	669	707	651
Non Current Investments	Cr	676	614	553	463
Net Block (including WIP)	Cr	5,966	5,212	3,554	3,709
Net Working Capital	Cr	506	685	425	348
Operating Profit margins	%	16%	24%	25%	22%
Net Debt to Equity	x	1.0	0.8	0.3	0.4
Interest Coverage	x	1.7	3.1	4.3	2.4
Current Ratio	x	1.2	1.5	1.8	3.1
Dividend Rate	%	100	100	75	63
Share Price on 31st March 2014	₹	254	148	144	185
Market Capitalisation	Cr	2,063	1,204	1,167	1,502

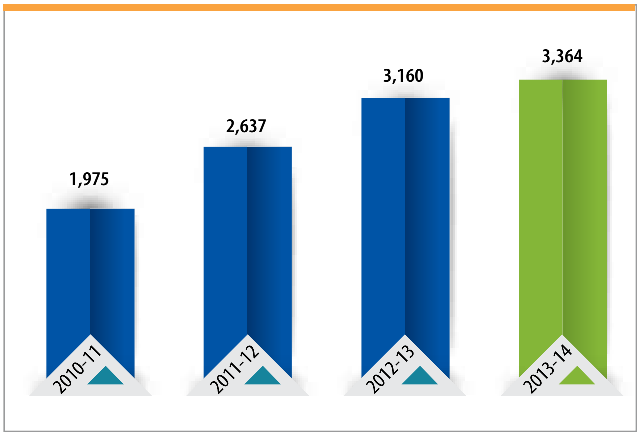
* excluding associate

Dalmia Bharat Limited

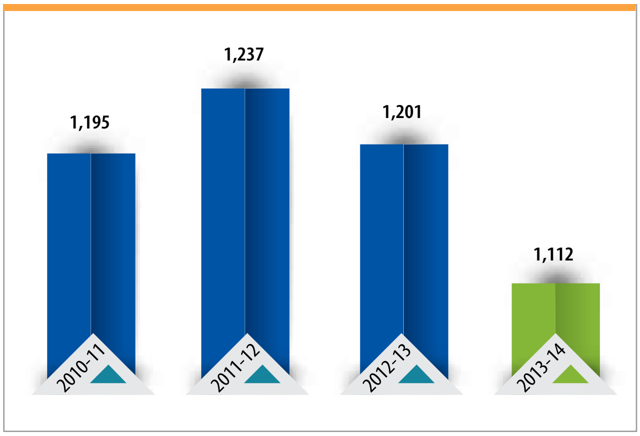
CEMENT PRODUCTION & SALES (MnT)



TOTAL OPERATING REVENUE (₹ CRORE)



POWER AND FUEL COST (₹ / T)



"Total operating revenues grew at a CAGR of 19% over the last three years

GROWTH

WIDENING THE OPPORTUNITY GAMUT

Our constant endeavour is to achieve size and scale. We would continue to evaluate strategies to have a significant presence in the mature and emerging markets.

“Recognised as one of India’s leading cement players

Adhunik Cement, Meghalaya

Inorganic expansion at strategic locations in North Eastern region of India helped increase our total capacity by nearly 4 MnT.

Our expansion is aimed towards geographical diversification in highly potential markets and improving our market share from 9% to 17%. Our second phase of organic expansion in Karnataka, West Bengal and Assam raised our total capacity by 5 MnT. We commissioned split grinding unit at Medinipur, West Bengal with installed capacity of 1.35 MnT. With this, we strengthened our position in East India and optimised our selling and distribution costs. Setting up a clinker unit in Assam will help us to achieve lower production cost, higher sales volumes and acquiring the benefits of our operating leverage.

Foreseeing the business potential, we have signed a definitive agreement to acquire 74% stake in the Bokaro unit of Jaypee Cement, in Joint Venture with SAIL. We would like to continue our initiatives and endeavours to be recognised as one of India’s leading cement players.

EFFICIENCY

KEY FOCUS ON COST RATIONALISATION

Resource optimisation, cost rationalisation and operational efficiency is our prime focus. During the year, these continued to be our key driving forces in rationalising costs and enabled us to perform in a challenging environment.

“ Continuous focus on cost optimisation

Robot Labs, Kadapa, A.P.

We continue to take steps towards creating and delivering sustainable value to our stakeholders through our cost rationalisation efforts. Change in fuel mix helped us provide stability to our cash flows. A key example of our cost rationalisation efforts has been the increased usage of pet coke in our kilns in South India by replacing imported coal, leading to savings in cost. Use of lignite in our captive power plants has further optimised our cost efficiency and led to significant cost benefits.

We replaced the locally-procured coal at our kiln in Meghalaya with alternate fuel. This reduced our clinker cost of production from ₹ 1,761/T to ₹ 1,476/T during the year.

Our key strategies in becoming power efficient through process optimisation and induction of modern technologies are aimed at strengthening our cost leadership.

Overall, our cost reduction strategies enabled us reiterate our region-wise leadership position. Besides resource optimisation, we are also committed towards optimising our logistics costs through judicious rail road mix. Moving forward, we are poised to create further value for all our stakeholders by increasing our 'per person' productivity.

SCALE

LEADING EFFECTIVE CHANGE

Embracing challenges and improving business performance makes our goals more achievable and attaining them, far more enjoyable. Our mission is to build a strong leadership pipeline to achieve scale.

At Dalmia Group, human capital and talent is the quintessence of our strength and business success. Embracing challenges and improving business performance makes our goals more achievable and reaching them, far more enjoyable. Our mission is to build a strong leadership pipeline to achieve scale.

Our endeavour is to create leaders for tomorrow to ensure a diversified approach to the Group's growth agenda. We believe in identifying and elevating human capital from within the organisation and making them capable of taking on leadership roles. We have in place a consolidated HR strategy for succession planning, high-potential talent management and robust individual development planning.

Our goal is to nurture and build an internal leadership talent and pipeline. We identify high-impact leaders through a meticulous screening process. To filter out star performers, we believe in making these leaders undergo an experiential learning of our core values. We nurture these leaders within the Group to enable them to take on higher responsibilities and drive new strategies, as and when opportunities present themselves.

INCLUSION

TOGETHER, WE GROW

Our history of serving the stakeholders helps reaffirm our commitment to add value for them.

We have been recognised as among the few companies to have been qualified for membership to Cement Sustainability Initiative based in Geneva. We are also the only Indian manufacturing company to join the Green Portfolio program of Kohlberg Kravis Roberts (KKR). We are also the recipients of the 'National Energy Conservation Award', the 'CII-ITC Sustainability Award' and the 'Mines Safety Week Award'.

In addition to sustainable development of our cement plants, our objective is to nurture the environment through green belt development programmes in the vicinity of our plants. We undertake greening activities around our plants benefiting the community, besides focussing on horticulture and maintaining our water resources efficiently. Besides harvesting rain water in catchment areas, we recycle waste-water from captive power plants to ensure low emissions.

> “Our endeavour is to add value to stakeholders

We are committed towards economic and social development of the local communities near our plant sites. We believe in the CSR policy of functioning as a responsible corporate citizen, while discharging our social responsibilities towards our stakeholders. The pace of our CSR work has gained sharp momentum and there is a determination to positively impact the lives of such people.

As safety is a matter of continuous evaluation and utmost priority for the Dalmia Group, we endeavour to provide a safe working environment to our employees at the plant sites. We continuously ensure that safety is maintained across all projects during various stages – design, construction, commissioning, operation and maintenance of our cement plants. We are also very particular about keeping a tab on employees' health at any given point of time. We have also initiated several training programmes around some of our project sites for our construction workers. These programmes are aimed towards developing their competencies in various skills and enhancing employability within and outside the Group.

Further, to engage better with our dealers and strengthen our retail network, several programmes have been initiated. These are aimed towards deeper penetration of our retail outlets, stockists and distributors. Our 360-degree marketing initiatives have also substantially increased the total number of our participants during the year.

Our multi-pronged approach to ensure business continuity aims at identifying and elevating leaders to take more responsibilities within the Group. Through our programme "Lakshya", we constantly identify high impact leaders using our core values of integrity, trust, humility and commitment. This process filters out the star performers and grants more time and freedom to look at the larger picture for a more diversified approach to our growth agenda.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

During the year, there was a marginal growth in India's Gross Domestic Product (GDP) from 4.5% in FY2013 to 4.7% in FY2014. India's Current Account Deficit (CAD) fell to 1.7% of GDP in FY2014 from a high of 4.7% of GDP a year ago. Restrictions on gold imports and muted imports of capital goods have attributed to a fall in CAD.

A clear mandate obtained at the recently held General Elections shows optimism, reviving the hopes of a better year ahead.

INDIA CEMENT INDUSTRY

India is one of the largest cement producers and consumers in the world after China, accounting for approximately 8% of the total global production, led by the enormous growth in infrastructure and construction sector for over two decades. In India, the housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption. The other major consumers of cement include infrastructure (13%), commercial construction (11%) and industrial construction (9%).

DEMAND AND SUPPLY DYNAMICS

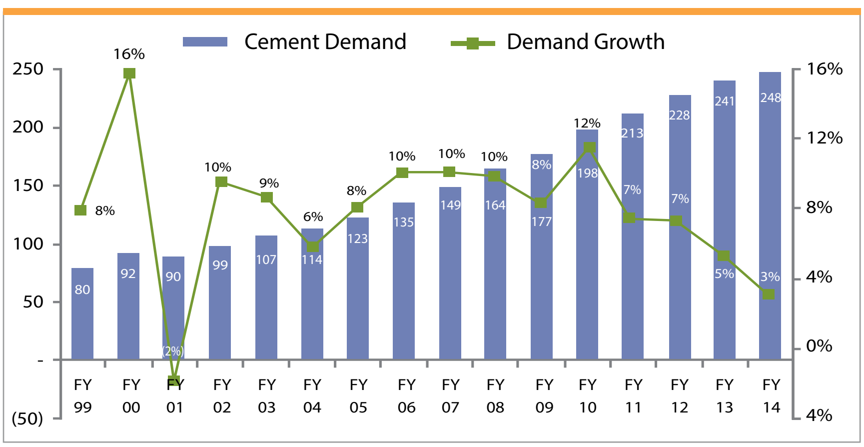
Over the past 15 years, the demand for cement in India has witnessed stable growth at a CAGR of 8%, making India one of the most exciting markets. However, over the last two years, there has been a significant slowdown in the growth of cement demand.

In FY2014, the main issues faced were muted demand, pricing and cost pressures. The cement demand remained subdued, grew by modest 3% in FY2014. One of the reason was slow economic growth resulting into a reduced infrastructure spend from the Government on infrastructure development. The other reasons were weak demand from end-user industries, delays in environmental clearances for industrial and infrastructure projects and a ban on sand mining in some states.

> “Increased urbanisation, improved rural income and infrastructure creation are the triggers to growth in India's cement demand.

Dalmiapuram, Tamil Nadu

TRENDS IN CEMENT DEMAND AND GROWTH IN INDIA



* excluding mini cement players

The cement demand is, however, expected to recover on account of increased urbanisation, improved rural income and an impetus to infrastructure creation, which may also extend to Tier II and Tier III cities.

The total cement installed capacity as on date is around 380 MnT. In the last 5 years, capacity additions in the industry have been more than 160 MnT and capacity utilisation has reduced from 85% to the current level of 70%. In the current scenario,capacity addition is difficult due to limited availability of limestone reserves and increased project incubation and execution time. This, coupled with continuous pressure on margins, has resulted into tapering of capacity additions in the near term.

With improved demand and rationalisation of capacity additions, capacity utilisation is likely to improve further.

COMPANY OVERVIEW

Dalmia Bharat Limited (DBL) is one of the largest cement producers in India with a presence in South, East and North Eastern parts of the country. We own 48% stake in the promoter Group Company OCL India Ltd., a major cement player in the Eastern region having an annual cement capacity of 6.7 MnT.

Your Company, in the last 5 years, has grown both organically and inorganically. In the last two years, we expanded ourselves inorganically and acquired assets in North

East. During the year, we signed a definitive agreement with Jaiprakash Associates Limited to acquire 74% stake in the split grinding unit at Bokaro Jaypee Cement Ltd., a Joint Venture with Steel Authority of India (SAIL) with a manufacturing capacity of 2.1 MnT. It has 30-year long term clinker supply arrangement with Jaiprakash Associates and a 30-year slag supply arrangement with SAIL. On the organic front, we are executing a Greenfield project at Belgaum, Karnataka (2.5 MnT) and brownfield expansion at Calcom, Assam of ~ 1 MnT. Both are expected to get commissioned during FY2015. We recently commissioned a split grinding unit of 1.35 MnT at Medinipur, West Bengal, through OCL India Ltd.

Your Company, through a 74% holding in DCB Power Ventures Ltd. (DCBPVL), has a captive thermal power capacity of 72 MW in the southern region, which will be expanded to 97 MW with commissioning of captive power plant at Belgaum (Karnataka) during FY2015. In addition to this, its subsidiaries and associates have a captive thermal power capacity totalling 79 MW. Our current captive power capacity supports 70% of our total installed cement capacity.

> "Total installed capacity of over 20 MnT

We continued to focus on resource optimisation and improving our operational efficiencies by shifting to low-cost fuels across all our plants. We reduced power and fuel consumption per tonne of cement produced, thereby reducing our power and fuel cost.

OUR OPERATIONAL PERFORMANCE

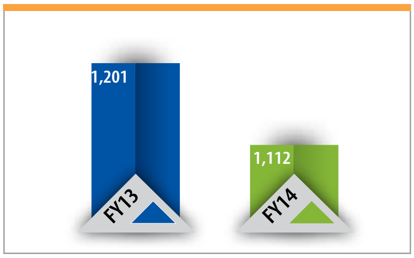
Particulars	UOM	2013-14	2012-13	% Change
Clinker Production	MnT	5.3	4.8	10%
Cement Production	MnT	6.6	6.1	8%
Cement Sales	MnT	6.7	6.0	11%
Power Generation	Mn KwH	543	514	6%
Power Exported	Mn KwH	152	134	13%

* excluding associate


Raw Material Preparation

Going forward, we expect further cost reduction in our existing units and acquired assets.

CONSOLIDATED FUEL COST (₹/Mn Kcal)



Despite challenging market conditions in FY2014, we were able to maintain volumes in the Southern and Eastern markets. We achieved net sales of ₹ 2,955 crore, up 6% from the previous year. For the year under review, the variable cost for our South operations stood at ₹ 1,564/T compared to ₹ 1,597/T in the previous year. In North East, our variable cost for FY2014 was ₹ 2,270/T, as compared to ₹ 2,327/T in FY2013. This is still on the higher side because of the high variable cost at Lanka, Assam plant, due to purchased clinker. With the commissioning of the clinker unit at Umrangshu, which will serve Lanka Grinding Unit and improve utilisation of the existing units, your Company foresees steady growth in sales volumes and benefits of operating leverage.

> “Reduction in variable cost by 16% YoY in Meghalaya unit

REGIONAL OPERATIONS REVIEW

OPERATIONS IN SOUTH INDIA

Overview

In South India, DBL clocked a 9% market share with cement volumes of 5.5 MnT during the year. Tamil Nadu and Kerala accounted for around 70% of our despatches and continued to remain our core markets. Andhra Pradesh and Karnataka contribute 12% and 16% of total dispatches, respectively, while the balance is contributed by Special Cement covering entire India. During FY2014, our Company's combined market share in the key markets of Tamil Nadu and Kerala stood at 13.1%. In South, we managed to reduce power and fuel cost through fuel mix change and reduction in power consumption. Our fuel cost reduced from ₹ 711/T in FY2013 to ₹ 695/T in FY2014. Our overall power consumption reduced from 74 Kwh/T to 72 Kwh/T, thereby leading to reduction in power cost. Our power consumption per tonne of cement produced is one of the lowest in the industry. Our power generation cost has reduced by 7% during the period under review. As a result of all these measures, our variable cost in South reduced from ₹ 1,597/T in FY2013 to ₹ 1,564/T in FY2014. We continued to carry our cost reduction drive in FY2015 too.

Alternate Fuels

Use of Pet Coke

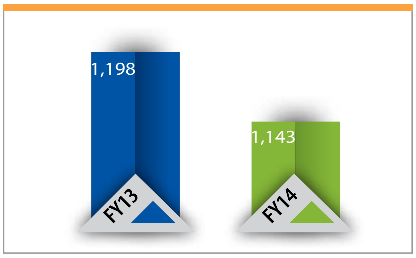
We used pet coke in our kiln, which is a cheaper fuel as compared to coal imported from South Africa or Indonesia which resulted in reduction in power and fuel cost, in spite of exchange rate fluctuation. By the year-end, we touched a level of around 80% pet coke in all kilns, an achievement in South India. Our Kadapa plant runs at 100% pet coke. On an overall basis, pet coke consumption in our Kiln increased from 9% in FY2013 to 34% in FY2014.

Use of Lignite

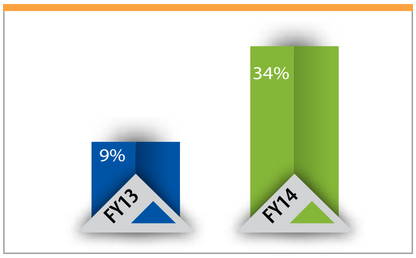
We diversified towards the use of lignite, a cheaper fuel compared with even pet coke. Lignite is used in power plants based in Tamil Nadu due to accessibility from Neyveli Lignite Corporation. During the year, we consumed 74% lignite in our

KEY KPIs for South India

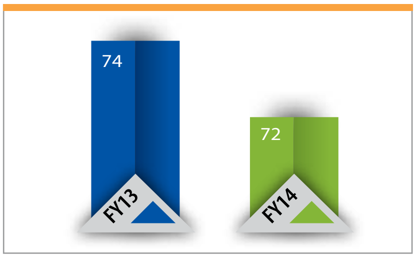
FUEL COST (₹/Mn Kcal)



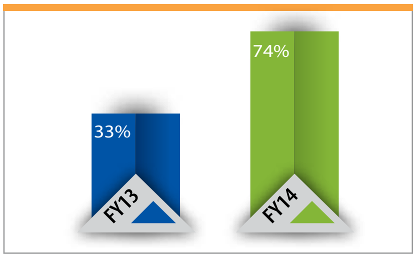
PET COKE USAGE (% of Total Coal in KILN)



TOTAL POWER CONSUMPTION (Kwh/T of Cement)



LIGNITE USAGE (% of Total Coal in CPP)



Captive Power Plants (CPP) and by the end of the year we were using 100% lignite in CPPs. We also started using this cost efficient fuel in Kiln resulting into significant cost benefit.

OPERATIONS IN NORTH EAST

Overview

In the North East, DBL is one of the largest player with a market share of 17% and cement volumes of 1.1 MnT during the year. Our acquisitions in the North East, followed by our brownfield expansion, have helped us consolidate our position in the region.

During the last quarter of the fiscal, we reduced fuel cost in our Meghalaya plant of Adhunik Cement by replacing the locally procured coal in our Kiln with alternate fuel. We also started using this fuel in our CPP to the extent of 59%. This has resulted into a reduction in clinker cost of production of Adhunik Cement Ltd. from ₹ 1,761/T in FY2013 to ₹ 1,476/T in FY2014. Our power generation cost reduced from ₹ 5.7/kwh in FY2013 to ₹ 4.7/kwh in FY2014.

OPERATIONS IN EAST

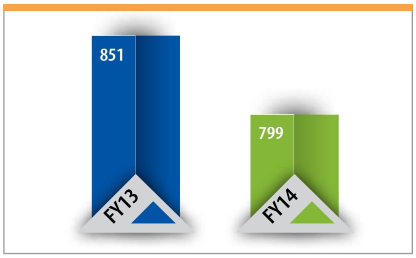
We have a presence in East India through OCL India Ltd., an associate of Dalmia Bharat Ltd.

OCL has commissioned a split grinding unit of 1.35 MnT at Medinipur, West Bengal in March 2014. This expansion is expected to further strengthen our position in East India and allows us to optimise our selling and distribution cost.

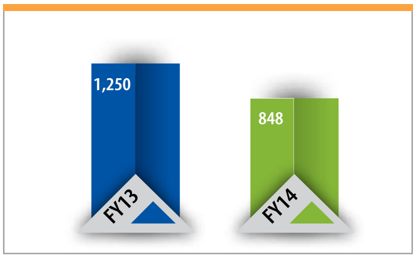
Post signing of the definitive agreement with Jaypee Cement for acquisition of their Bokaro unit, our market share in East is expected to improve from 9% to 12%. Also, the Group will be benefited in FY2015 with the realisation of our synergies with OCL, a majority of which flows from logistics synergies between both the entities.

Key KPIs for Adhunik Cement Ltd.

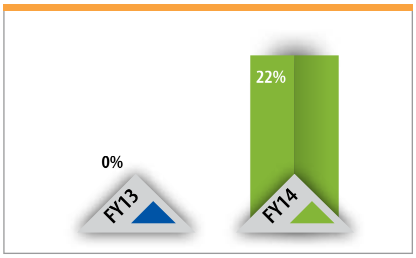
HEAT CONSUMPTION (Kcal/Kg of Clinker)



FUEL COST (₹/Mn Kcal)



ALTERNATE FUEL USAGE (% of Total Fuel)



> “Shift towards low cost fuels

BUSINESS DRIVERS

COST REDUCTION

We rationalised overall expenses on power and fuel, which helped us reduce our costs by ₹ 89 per tonne (₹ 1,201/T in FY2013 to ₹ 1,112/T in FY2014) on a consolidated basis. Our operational costs also improved through maximised use of conveyer belt to transport limestone from mining locations to our plants. Several specific cost reduction strategies were inducted, which are discussed in more detail in various parts of this MD&A.

LOGISTICS

We continue to take several measures in logistics of inbound and outbound movement of materials to become more efficient and cost effective. Our clinkerisation unit in Assam, with 1 MnT capacity, will bring down our production and distribution cost significantly. As logistics is one of the most important factors in cement business, we seek to carry out continuous route optimisation with our various clinkerisation units. We also plan to continue our focus on analysing the nearby markets that we can serve through our plants and enhance our EBITDA margins further.

IMPROVEMENT IN VARIABLE COST

We plan to reduce variable cost at the Meghalaya plant through the use of low-cost alternative fuels. We have also spent considerable efforts in trying to optimise our captive power plant utilisation with ramping up volumes. This, coupled with the use of low-cost fuel, should further reduce our per-unit cost of power generation and also improve our Plant Load Factors.

Prakash Raj, promoting the brand in South

MARKETING INITIATIVES

SOUTHERN INDIA

The Company adopted 360-degree marketing initiatives during the year in Southern territories. In particular, the "Dalmia Best House Contest" led to a spurt in the number of participants - from around 1,000 earlier to over 4,000 during the year under review. Increased awareness was primarily achieved through campaigns at dealer outlets, visibility creation and advertising in outdoors and mass media. With the Semi-Finals and Finals being telecasted on TV, our advertising campaigns further increased the brand awareness.

The Company launched a new PPC brand named as "Dalmia Ultra" specifically for the markets of Andhra Pradesh and Karnataka. Since its launch in August 2013, the new brand has gained immense acceptance and given continuous impetus to growth of volumes in the retail segment in Andhra Pradesh and Karnataka. The Company's management is optimistic of gaining further market share in the retail segment with a continuous focus on leveraging the success of Dalmia Ultra.

The Dalmia Ultra event showcasing the Higher Alite Lower Celite (HALC) product was attended by over 2,000 dealers in Karnataka. This product set new standards in terms of quality, supported by innovative packaging and hologram assuring quality of the product. An improved product mix, consisting of a higher percentage of PPC cement, also aided towards better realisations for the Company.

For a major part of the financial year, prices remained volatile and witnessed a bearish tendency. Under these circumstances, initiatives were taken to increase sales in territories with lesser distance from manufacturing location to gain higher realisation.

To hedge against the subdued market conditions in southern India, the Company expanded its reach in the export markets and bagged orders from Myanmar, in addition to the growing volumes in Sri Lanka. The Company is hopeful of expanding its exports to neighbouring countries. With respect to special cement, the Company continues to enjoy the association of leading oil companies like ONGC, Reliance and Cairn India with a potential of growing volumes in the coming years on remunerative terms.

The Company focussed on sales strategies and launched schemes enumerated below:

Mason Loyalty Program – We worked with influencers which helped us penetrate deeper into Tamil Nadu.

New Dealer Program – Attractive Schemes include Foreign Trips for New Dealers for their performance over 6 months.

Special technical services events to be prioritised for new dealers.

NORTH-EAST INDIA

DBL is in the process of organically expanding its operations at Assam, with the aim of capturing additional volumes and market share. After commissioning of the Clinkerisation Unit at Umrangshu in Assam, we will be able to cater to the Assam market through the recently commissioned Grinding Unit at a much lower cost, besides penetrating into the markets of Northern parts of West Bengal and Bihar.

After the acquisition of the Adhunik Cement, the Company implemented a strategic launch of the Dalmia brand in the North Eastern markets. It took particular care to upgrade the product packaging and product quality levels that could live up to high standards that the "Dalmia" brand represents in other parts of India. Specifically, we successfully launched the HALC product, supported by a 360-degree campaign that involved Outdoor, Press, Radio and On-ground activations.

Testimony to the success of this launch, we received the Global Brand Excellence Awards for "Effective Use of Marketing Communication and Brand Launch". During the year, we launched other innovative demand generation activities, such as "Dabang Dhamaal". To make our campaign more impactful, we engaged India's Olympic Boxing Champion Ms. Mary Kom as our product Brand Ambassador. Simultaneously, we focussed on augmenting our retail distributor and dealer network. We also improved our operational efficiency, captured an increased market share and established the credibility of our speciality products. Through our Adhunik unit, we emerged as one of the leading brand in the North East, where we now enjoy better brand visibility and have been able to successfully penetrate the premium priced segment.

EAST INDIA

During the year under review, OCL launched a successful brand communication campaign called 'Khushiyon Ki Buniyad'. The campaign was launched during December 2013 and January 2014, using the Television, Radio and Cinema mediums. OCL also launched a pilot programme with Konark Cement in LPP bags. This was done to evaluate the future strategy for addressing the emerging market segments.


Grinding Mill

Cement Sales Volumes increased by 11% on YoY basis

CONSOLIDATED FINANCIAL PERFORMANCE

PROFIT & LOSS ACCOUNT ANALYSIS

Total Income

The Company's Gross Operating Income stood at ₹ 3,364 crore in FY2014, increased by 6% YoY as compared to ₹ 3,160 crore in FY2013.

Operating Expenditure

Total operating expenditure of the Company stood at ₹ 2,541 crore in FY2014 as compared to ₹ 2,156 crore, an increase of 18% YoY.

Power & Fuel cost incurred in FY2014 was at ₹ 773 crore as compared to ₹ 751 crore.

Freight cost stood at ₹ 531 crore in FY2014, as compared to ₹ 412 crore in FY2013. Prevention of overloading in South have led to higher logistics cost.

Employee cost stood higher at ₹ 226 crore in FY2014, on account of consolidation of Adhunik and Calcom plants, salary hikes and new recruitments.

Other expenses incurred during the year stood at ₹ 620 crore, up 24% as against ₹ 498 crore in FY2013. This is on account of higher fixed costs incurred at the Group level.

Operating EBITDA

Operating EBITDA declined in FY2014 to ₹ 472 crore from ₹ 672 crore in FY2013; impacted by lower realisations.

Depreciation

Depreciation cost for the year under review stood at ₹ 242 crore in FY2014 as against ₹ 206 crore in the previous year, up 18% YoY.

Financial Charges

The financial charges have risen from ₹ 231 crore to ₹ 315 crore on account of higher debt in the books.

Other Income

Other Income for the year was ₹ 62 crore up from ₹ 39 crore in FY2013, mainly on the back of higher profit booked on sale of investments which stands at ₹ 40 crore for the current year as compared to ₹ 16 crore in the previous year. Other items in FY2014 include Interest from Bank Deposits ₹ 17 crore and Dividend Income from Current Investments of ₹ 4 crore.

Total Tax Expense

Total Tax Expense stood at ₹ 64 crore, lower by 52% on YoY basis, which mainly includes current tax of ₹ 34 crore, MAT Credit charge of ₹ 0.4 crore and Deferred Tax Charge of ₹ 30 crore.

Net Profit

Consolidated Net Profit for FY2014 was to the tune of ₹ (8) crore in FY2014 from ₹ 197 crore in FY2013 mainly on account of drop in realisations.

BALANCE SHEET ANALYSIS

Net worth

Total Net worth of the company stood at ₹ 3,572 crore in FY2014, remaining flat as compared to ₹ 3,618 crore in FY2013. The same comprised of following:

Paid-up Equity Capital stood at ₹ 16.24 crore as on March 31, 2014 comprising 81,189,303 equity shares of ₹ 2 each (Fully paid-up).

The Company's Reserves and Surplus was to the tune of ₹ 3,079 crore in FY2014. Of this, the surplus in Profit & Loss Account was ₹ 293 crore and appropriations to Debenture Redemption Reserves were attributed to the tune of ₹ 90 crore.

Minority Interest stood at ₹ 446 crore.

Deferred Capital Investment Subsidy

The amount stood at ₹ 31 crore.

Loan Profile

The Total Loan funds of the Company stood at ₹ 4,273 crore in FY2014. Long Term Secured Loans at ₹ 3,495 crore comprise 82% of the total loan funds.

Total Assets

Total Assets of the Company increased to ₹ 8,756 crore in FY2014 from ₹ 8,014 crore.

Fixed Assets

Net Fixed Assets of the Company stood at ₹ 5,966 crore as against ₹ 5,212 crore, contributing 68% to the Total Assets of the Company.

Of which, Capital Work In Progress for the year increased by 125% at ₹ 1,238 crore in FY2014 as against ₹ 550 crore in FY2013 on account of capex incurred for upcoming projects at Belgaum, Karnataka and at Umrangshu in Assam. This is on account of the commissioning of a Grinding Unit at Lanka in Assam, work in progress at Clinker Unit-Umrangshu, Assam and at Belgaum, Karnataka.

Non-current Investments

Long term investments of the Company stood at ₹ 680 crore of which strategic investment in OCL was ₹ 576 crore (48% stake).

Inventories

Inventories stood at ₹ 331 crore in FY2014 decreased by 6% as compared to ₹ 352 crore in FY2013. This comprises of Stores & Spares to the tune of ₹ 224 crore (68%), Work In Progress of ₹ 37 crore (11%), Raw Material Inventory of ₹ 26 crore (8%) and Finished Goods Inventory of ₹ 44 crore (13%).

Sundry Debtors

The debtors of the company stood at ₹ 278 crore in FY2014, of which only ₹ 23 crore are more than six months old.

Loans and Advances

Total Loans and Advances amounted to ₹ 856 crore, comprised of 10% of the Company's total assets wherein Short Term Loans and Advances were ₹ 437 crore, primarily on account of subsidy receivable.

Cash & Bank Balance

The Company had a Cash & Cash Equivalents of ₹ 647 crore on 31st March 2014, decreased slightly by 3% as compared to ₹ 669 crore in FY2013.

Current Liabilities

Current Liabilities other than short term borrowings of ₹ 531 crore and ₹ 191 crore pertaining to current maturities of long term loans stood at ₹ 619 crore comprising mainly of trade payables of ₹ 379 crore.

RESEARCH & DEVELOPMENT

In the cement industry, research and development (R&D) plays a vital role in sustaining competitive position in the market and supporting growth of organisation. Not only this is essential in developing niche high value-added and differentiated products, but also essential for creating new knowledge about scientific and technological trends for enabling the development of new products, processes, and services. Our R&D helped in having competitive advantage in terms of our product performance and efficient manufacturing, giving us the ability to create sustainable wealth for our stakeholders.

The following are the key focus areas of R&D programme that concentrated on generating better returns and overall cost reduction:

- Re-designing of raw mix and fuel mix
- Increase in Fly ash absorption in PPC
- Usage of alternate raw materials and fuels

We also carry out continuous R&D to find ways in which we can run our cement plants at optimum capacity and to develop solutions and products to suit the growing demand for green infrastructure and affordable housing. We are looking at new and innovative approaches to construction, taking into account social, economic and environmental imperatives.

During the year, we collaborated with institutes for conducting scientific research to address sustainable construction and global warming challenges. We continue to conduct tests to evaluate the suitability of using waste in the cement industry, contributing substantially towards sustainable development. Going forward, the Company plans to continue conducting R&D to improve cement quality and increase Fly Ash and Slag addition in PPC and PSC; on designing and developing of products and processes and on increasing the usage of alternative fuels and raw materials.

We incurred R&D expense of around ₹ 2 crore in the period under review and ordered R&D equipments of around ₹ 1 crore which would be installed in FY2015.

> "Expect recovery in cement demand

MANAGEMENT OUTLOOK

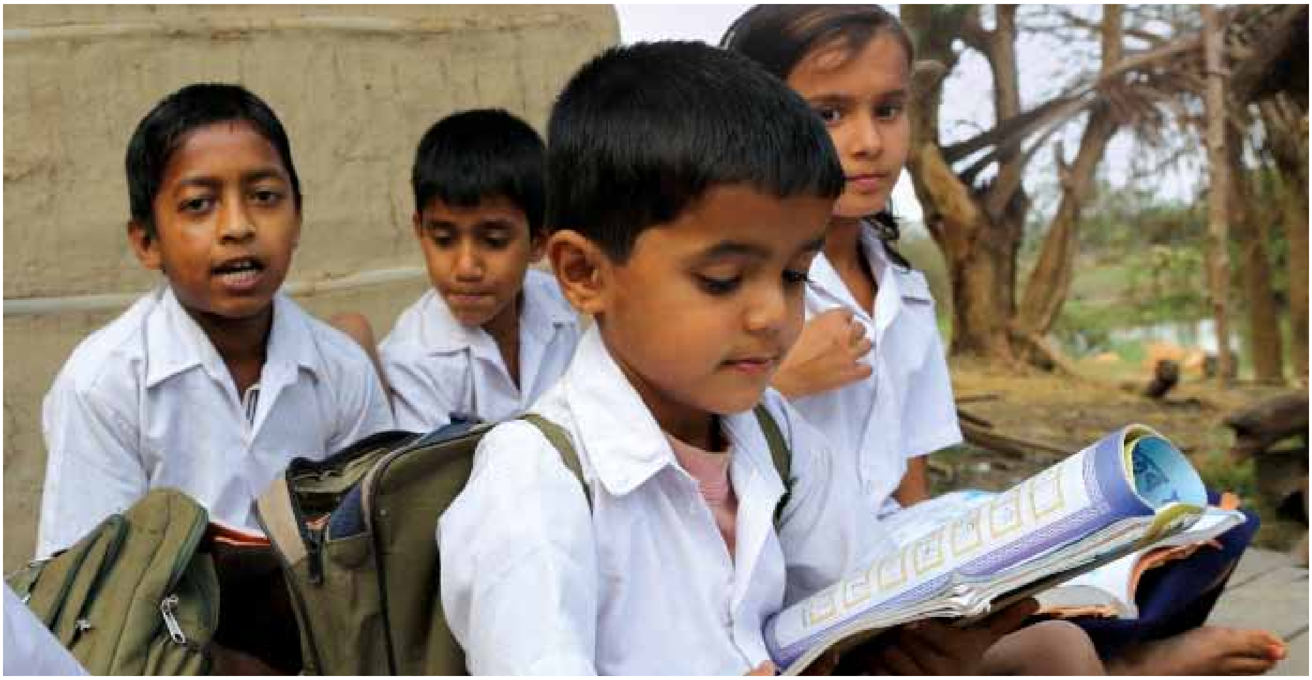
With the formation of a stable Government we hope FY2015 to be a better year than FY2014. We anticipate an increase in demand from construction and infrastructure projects. We aspire to have a pan-India presence.

Our strategy in containing costs and continuously improvising on efficiency parameters have helped us to effectively navigate through difficult times faced by the Industry. We aim to further optimise our variable and fixed costs, which will help in improving our financial performance. Going forward, we will continue to grow our business consistently and our footprints. Looking into the near term, our key focus area is to commission our upcoming expansion projects Assam and Greenfield expansion at Karnataka.

HUMAN RESOURCES

INVESTING IN PEOPLE

To ensure business continuity, the Group needs to identify and elevate leaders from within to take more responsibilities and also to drive new businesses when such opportunities arise. The HR function is continuously identifying high impact leaders through a programme called "Lakshya", which involves a meticulous screening process, followed by an indoctrination process that runs prospects through an experiential learning of our core values: integrity, trust, humility and commitment. This is a rigorous set of routine designed to filter out the star performers.



FOCUSSING ON THE BODY, MIND, SOUL AND SKILL

The Company believes in developing programs that focus on the wellness of body, mind and soul of its people, thus enhancing individual happiness keeping with the view that companies that imbibe strong values are more likely to thrive. The HR team has extended this experiential learning experience to the Company's family members, especially the children.

Health Quotient - Addressing the Body

This includes an annual health check-up, lifestyle centred days and self-defense classes. They are implemented through several events including sport tournaments, clinic days and days in which doctors are invited for consultation. Under the program called "Saksham", several unique activities, such as playing football without talking, are undertaken to enhance traditional concepts of respect and humility.

Emotional and Spiritual Quotient - Addressing the Soul

Based on conscious living and meditation programmes, the Company extends these activities to its employees and their spouses. Taking the engagement with family members one step further, the Company also has a programme called "Prerna", in which the employees' spouses are involved to explore their inner selves.

CORPORATE SOCIAL RESPONSIBILITY

The prime objective of Dalmia Bharat Group Foundation and its CSR initiatives is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding plants and project sites. A key focus of our CSR initiative is to extend livelihood and skill development support to the unemployed rural youth and social development activities.

We work with rural communities within the framework of sustainable development, benefiting over 76 thousand people in 51 villages. We also aim towards women empowerment through formation of Self Help Groups (SHGs) and assisting Community Based Organisations (CBOs) to improve rural dwellings and community assets. We also undertake a series of programs to improve health and sanitation status of the community at large.

PROGRAMME OUTREACH DURING FY2014

Our Key Focus Areas

1. **Soil & Water Conservation:** Water conservation and management
2. **Renewable Energy:** Promoting energy conservation
3. **Livelihood & Skill Development:** Capacity building through vocational training
4. **Social Development:** Addressing health & sanitation, education, rural infrastructure development and social campaigns

Central Control Room

Programme Highlights

76,000 Villagers were positively benefited in 51 villages

1. ***Soil & Water Conservation***
   Our Foundation works on water harvesting and managing water usage within neighbouring communities, directly benefiting 16,244 people. We constructed 2 check dams, developed 100 farm ponds and one village pond and brought 59 hectares of land under drip irrigation. We also installed 7 water tanks and 4 community-based safe drinking water project. At Tamil Nadu, we signed an MOU with NABARD to implement the watershed project in 2,000 hectares; while in Andhra Pradesh, we are setting up family-size bio-gas plants with Non-conventional Energy Development Corporation of Andhra Pradesh Limited (NEDCAP).

2. ***Renewable Energy***
   Our initiatives on promotion of non-conventional and renewable energy have created 15,835 direct beneficiaries. Our multi-pronged strategy promotes solar home-lighting equipment, solar lanterns and fuel-efficient stoves. We constructed 38 family-size bio-gas plants, distributed 756 fuel-efficient chullahs and 305 solar lanterns, and installed 86 solar street-light systems. We also endorsed the use of dung-based bio-gas plants to mitigate climate changes. So far, we have conducted 10 training programs on the usage of fuel-efficient chullahs.

3. ***Livelihood & Skill Development***
   We are registered with Construction Skill Development Council of India (CSDCI) established under the aegis of National Skill Development Corporation (NSDC). We work towards creating livelihood opportunities for people through skills development. We aim towards upgrading existing skills or teaching new ones to enhance people's income. Towards this initiative, we provide loan support for self-employment and conduct 163 skill development trainings/workshops/sessions. We disbursed 263 cattle loans, formed 148 SHGs for women and conducted 13 veterinary camps to treat over 6,000 cattle population.

4. ***Social Development***
   Our social development initiatives are aimed towards improving the quality of life of at least 40,020 people – directly or indirectly – creating for them a better tomorrow. We work towards providing remedial education, particularly for drop-outs and slow learners, with the aim of mainstreaming them. Towards improving the

quality of social infrastructure, we constructed 43 rural low-cost toilets, conducted 71 special medical camps and organized 45 general health check-up camps. Around least 570 women are covered under our pre-natal and post-natal services, while 608 children are covered under our immunisation program.

INFORMATION MANAGEMENT (IM)

The Dalmia Group has always believed in the power of information management (IM) in bringing efficiency, optimising the costs, enhancing the agility and responsiveness to its various businesses. With the steady growth of the Group over the last decade and the expansion in the last three years, our IT initiatives are no longer just a tool of convenience, but a weapon in our armoury that makes us competitive and excel in our industry. Based on our "One Dalmia" philosophy framed some three years ago, we took a major initiative in the standardisation of "What We Do". To this extent, our company's business management system architecture is based on business and functional templates, in which our processes, codes, controls, KPIs and MIS are standardised on best business practices.

As of the year FY2014, the cement, refractory and the HR templates have been completed and deployed. These business and functional templates are strong competitive advantages that enabled us in the speedy integration of our newer operations such as our recent acquisitions of the Adhunik, Calcom plants and the Medinipur expansion in West Bengal.

Keeping in line with the cloud and SaaS (software as a service) revolution, the Company sees substantial cost savings amongst other advantages in deploying these new IT solutions. Our Company understands that future businesses would be done and conducted in digital era. Accordingly, major strides have been taken in the future technologies of Cloud and Social digital network. Yammer and O365 are some the key technologies which the Company has introduced in FY2014. With this, business enjoys an enhanced ability to address current and future needs of business expansions, acquisitions and mergers.

Key Implementations during FY2014

Project	Description
MANTHAN	Project Manthan was an initiative to create the Group wide Cement template and solution the same on IT platform of SAP ERP, SAP Business Objects and Business Intelligence. It was a transformational initiative which led to creation of some industry benchmarks for implementation and integration of businesses.
GPS ENABLED FLEET MANAGEMENT	Vehicle Tracking Solutions: Fully integrated with the SAP system, the VTS were installed in the dedicated fleet of OCL, North East and DCBL, along with the Geo-fencing of all the plants and depots improving the logistics performance of the Company's dedicated fleet.
NORTH EAST BUSINESS INTEGRATION	IT integration of the two acquisitions of Adhunik and Calcom was completed.
OCL BUSINESS INTEGRATION	IT integration of all the plants, depots and regional offices was done.
SECURITY	New enhanced perimeter security systems were completed for various sites in Delhi, Guwahati and Rajgangpur. Data Centre was expanded to meet the acquisitions and expansion needs. Obsolete and not so secure technologies were refreshed.
TELEPRESENCE	Company wide Telepresence Solution was introduced with approx. 20 odd sites getting integrated.
MOBILE WORK SPACE	Entire Organization has moved to O-365 and with this entire workforce able to leverage the massive capabilities of Mobility, anywhere access, collaboration on voice and video and other capabilities of personal and group productivity. The Company has commenced the migration of certain processes such as sales order creation, customer 360 degree view, Journey plans, invoicing, among others, which can be extended on the mobile platform using handheld devices to its sales force.

IT FUTURE OUTLOOK

Dalmia Group intends to create innovative operational efficiencies that will extend beyond ERP through Supply Chain management, plant automation, business analytics,mobility, cloud and real time information availability. As DBL continues to add more plants across India, the organisation intends to achieve better operational efficiency by automating processes and building centralised monitoring for plant operations across India. Customer relationship management will be further enhanced so as to create more collaborative and information sharing platform with channels partners and customers. Mobility will be extended beyond sales and distribution to functions like plant operations and other key business functions. We will continue on our journey to become a digital enterprise and will explore innovative applications and services that can bring operational efficiencies.

INTERNAL CONTROLS & 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. 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 ensures 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.

KEY RISKS & CONCERNS

A fairly diversified nature of our business is a clear indication of the need to have an effective Risk Management Programme in place. We have processes that test robustness of our systems, evaluate compliance across business units and encourage continuous improvements. These include compliance periodic reviews of our policies and procedures as well as regular internal audits. Enumerated below are some key risks and concerns in the cement business:

> Internal controls are the backbone for achieving operational efficiencies

1. **Industry Risk:** Cement demand is cyclical in nature and witnesses seasonal reduction in consumption during monsoon season.

   Risk Mitigation: In view of growth in demand for cement, the Company has been ramping up its capacities. There is careful evaluation done to evaluate regional mismatches and deploy capacities to minimise cyclical risks.

2. **Commodity Price Risk:** Risk of price fluctuation on raw materials, energy and finished goods.

   Risk Mitigation: Our multi-fuel kiln/power plant helps in optimising our fuel mix and hence reduces the effect of the rise in energy costs.

3. **Interest Rate Risk:** Any increase in interest rates can affect our financing costs.

   Risk Mitigation: Use of interest rate swaps in forex borrowings, regular monitoring of interest rate trends and judicious use of fixed and floating rate debt can mitigate the interest rate risk.

4. **Foreign Exchange Risk:** Any volatility in currency market can impact our performance and profitability.

   Risk Mitigation: We follow a policy of hedging our long-term and short-term foreign exchange exposure. Also our differential short-term exposure between exports and imports is suitably hedged, which enables us to mitigate forex risk.

5. **Project Execution Risk:** Large-scale expansion projects to expand our business makes us exposed to the risk of time and cost overrun, affecting project implementation which in turn impacts our revenue and profitability.

   Risk Mitigation: An efficient and capable Project Execution Team reviews project execution on a continuous basis and helps mitigate the risk.

CAUTIONARY STATEMENT

Statements made in this report describing industry outlook as well as the Company's plans, policies and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

DIRECTORS' REPORT
for the year ended March 31, 2014

The Directors have pleasure in submitting the Annual Report and Audited Statements of Account of the Company for the year ended March 31, 2014.

Financial Results

(₹ Crore)

	2013-14	2012-13
Net Revenue	**229.73**	**190.60**
Profit before interest, depreciation and tax (EBITDA)	66.04	53.38
Less: Interest and Financial Charges	**0.36**	**0.11**
Profit before depreciation and tax (PBDT)	65.69	53.27
Less: Depreciation	**2.34**	**1.65**
Profit before tax (PBT)	63.34	51.62
Provision for current tax	13.75	9.78
Provision for deferred tax	(0.15)	0.34
Prior year tax charge	—	0.17
MAT credit charge/(entitlement)	—	—
Profit after tax (PAT)	49.74	41.33
Add: (i) Surplus brought forward	44.45	22.55
(ii) Provision for dividend distribution tax written back	—	1.91
Profit available for appropriation	**94.19**	**65.79**
Appropriations:		
General Reserve	5.00	4.35
Proposed Dividend	16.24	16.24
Dividend Distribution tax thereon (net of tax credit of ₹ Nil (₹ 2.01 crores) on dividend from Subsidiary)	2.76	0.75
Balance carried forward	70.19	44.45
	94.19	**65.79**

Dividend

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

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 the year 2013-14.

The Company has decided to discontinue the refractory business of the Company with effect from 1st April, 2014.

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 2014-15 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, 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 2014 are not being enclosed with this Annual Report.

During the year Dalmia Cement Ventures Limited was amalgamated with its parent company Dalmia Cement (Bharat) Limited, vide orders of Hon'ble Madras High Court dated 13th November, 2013.

Dalmia Cement (Bharat) Limited floated two new subsidiaries in the month of March, 2014 The first accounting year of the said subsidiary companies will end on 31-3-2015 in accordance with the provisions of section 2(41) of the Companies Act, 2013 and the Balance Sheet for the year ended 31-3-2014 are therefore not been prepared. However appropriate entries with regard to the investment in those companies by Dalmia Cement (Bharat) Limited is reflected in the consolidated financial statements of the Company.

Any Member desiring to inspect the detailed Annual Reports of any of the aforementioned 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.dalmiabl.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

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Independent Directors namely, Mr. N. Gopalaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan have given their declaration of independence. All the three Independent Directors are to be appointed at the ensuing Annual General Meeting as Independent Directors for a term of five years in terms of section 149 of the Companies Act, 2013.

Mr. Gautam Dalmia, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The said Independent Directors and Mr. Gautam Dalmia have given their respective declarations in Form DIR-8 in terms of Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Shareholdings in the Company by its Directors as at 31-3-2014, 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	Nil
Mr. Gautam Dalmia	10,73,308
Mr. Puneet Yadu Dalmia	Nil
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 2013-14.

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. They have been the Statutory Auditors of the Company since the financials year 2010-11 and are entitled to continue as Auditors for a further period of six years in terms of section 139(2)(b) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014. The Directors have decided to appoint them for a period of one year so as to complete the first terms of five years.

As required under Section 139 of the Companies Act, 2013, the Company has obtained from them a certificate to the effect that their re-appointment, if made, would be in accordance with the conditions as prescribed in Rule 4 of Companies (Audit and Auditors) Rules, 2014 and satisfy the criteria mentioned in Section 141 of the Companies Act, 2013.

General

The above Directors' Report has been prepared as per guidelines given in the General Circular No. 8/2014 dated 4th April 2014.

For and on behalf of the Board

New Delhi
Dated: May 15, 2014

(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: ₹ 24.37 crores (ii) Earned: ₹ 5.39 crores

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 March 31, 2014 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 four times during the year on 30-5-2013, 13-8-2013, 30-10-2013, and 12-2-2014. 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 Memberships and Committee Chairmanships.

Table 1: Composition of the Board of Directors

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

@ 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 the 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 the Directors for 2013-14 (₹ lakhs)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Non-Executive	0.90	—	—	7.00	7.90
Mr. Jai H. Dalmia Managing Director	Executive	—	160.05*	15.99	—	176.04
Mr. Y.H. Dalmia Managing Director	Executive	—	47.57	2.59	—	50.16
Mr. N. Gopalaswamy	Independent Non-Executive	1.40	—	—	7.00	8.40
Mr. Gautam Dalmia	Non-Executive	0.80	—	—	—	0.80
Mr. Puneet Yadu Dalmia	Non-Executive	0.80	—	—	—	0.80
Mr. V.S. Jain	Independent Non-Executive	1.60	—	—	7.00	8.60
Mr. Asanka Rodrigo	Independent Non-Executive	1.10	—	—	7.00	8.10

@ Commission paid on net profit only.
*Includes arrears of ₹ 51.29 lakhs paid for the FY 2012-13 pursuant to Central Government approval.

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. Jai H. Dalmia as Managing Director has been made for a period of five years with effect from 1st April 2011.

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.dalmiabl.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

As on 31st March 2014, the Audit Committee comprised of three members, Mr. N. Gopalaswamy, Mr. V.S. Jain and Mr. Asanka Rodirgo, all being independent Directors. Mr. N. Goplalaswamy is the Chairman of the Audit Committee. The Audit Committee met four times during the year on 29-5-2013, 13-8-2013, 30-10-2013 and 12-2-2014. The particulars of attendance of the members in the Meetings of this Committee are given in Table 3 hereunder:

Table 3: Attendance record of the Company's Audit Committee during 2013-14

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopalaswamy	Independent	Chairman	4	4
Mr. V.S. Jain	Independent	Member	4	4
Mr. Asanka Rodrigo	Independent	Member	4	2

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 could not attend the Annual General Meeting of the Company held on 24th August, 2013 as he was travelling abroad at that time. The Company Secretary, Ms. Nidhi Bisaria, was deputed to answer and resolve the queries, raised by the Shareholders pertaining to the Annual Accounts of the Company.

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 31st March 2014, 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 year. During the period, 58 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 2013-14:

	Nature of Complaint	Pending as on 1st April 2013	Received during the year	Answered during the year	Pending as on 31st March 2014
1.	Transfer / Transmission / Duplicate	Nil	3	3	Nil
2.	Non-receipt of Dividend/Interest/Redemption Warrants	Nil	43	43	Nil
3.	Non-receipt of securities/electronic credits	Nil	5	5	Nil
4.	Non-receipt of Annual Report	Nil	7	7	Nil
5.	Complaints received from:				
	- Securities and Exchange Board of India	Nil	—	—	Nil
	- Stock Exchanges	Nil	—	—	Nil
	- Registrar of Companies/ Department of Company Affairs	Nil	—	—	Nil
6.	Others	Nil	—	—	Nil
Total		**Nil**	**58**	**58**	**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

As on March 31, 2014, the Remuneration Committee comprised of Mr. P.K. Khaitan, Mr. Asanka Rodrigo and Mr. N. Gopalaswamy, Directors as its members. The Committee met once during the year on 30-5-2013 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 5 hereunder:

Table 5: Attendance record of the Company's Remuneration Committee during 2013-14

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Non-Independent	Chairman	1	1
Mr. N. Gopalaswamy	Independent	Member	1	—
Mr. Asanka Rodrigo	Independent	Member	1	1

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. Jai H. Dalmia, Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Puneet Yadu Dalmia, as its members. The Committee was vested with the powers of making investments in securities quoted on the stock exchanges upto a total limit of ₹ 10 crore. The Committee did not meet during the year.

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 2014, 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 6: Details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2014

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	Nil	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.
At the ensuing Annual General Meeting, Mr. Gautam Dalmia, Director of the Company retires by rotation and is 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 website 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
2012-13	24th August, 2013	11.15 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
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

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
24th August, 2013	AGM	➢ 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.
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. Jai 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. Jai 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. ➢ 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.

Postal Ballot

During the year ended 31st March 2014, 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 : 30th August, 2014
Time : 10.30 a.m.
Venue : Community Centre Premises,
Dalmiapuram -621651, Dist. Tiruchirapalli,
Tamil Nadu

Financial Calendar

Financial year: 1st April, 2014 to 31st March, 2015

For the year ended 31st March, 2015, results will be announced on:

- First quarter: By mid-August, 2014
- Second quarter: By mid-November, 2014
- Third quarter: By mid-February, 2015
- Fourth quarter: By end May, 2015

Book Closure

The dates of book closure are from 26th August, 2014 to 30th August, 2014 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 26th August, 2014. The Dividend pay out will be effected on 5th September, 2014.

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 2013-14 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2013	156.90	120.40	128.95	156.90	126.30	128.00
May, 2013	142.05	121.00	132.45	142.00	120.10	134.00
June, 2013	142.25	125.00	127.50	145.00	125.10	129.00
July, 2013	132.00	101.00	104.80	133.75	102.10	105.00
August, 2013	111.90	95.00	110.30	112.00	92.20	110.50
September, 2013	136.55	102.95	121.00	140.00	103.70	120.30
October, 2013	130.00	114.10	120.70	130.00	120.10	120.10
November, 2013	133.90	117.50	127.80	132.60	119.60	128.50
December, 2013	169.90	126.00	167.15	175.00	126.00	168.00
January, 2014	219.95	163.00	168.50	220.00	162.00	170.50
February, 2014	191.70	155.00	172.85	190.40	155.00	174.05
March, 2014	267.55	167.45	254.10	268.00	167.05	252.50

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 2013-14	71	73	19	18	52	55
2 years	77	77	29	27	48	50
3 years	37	36	15	15	22	22
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

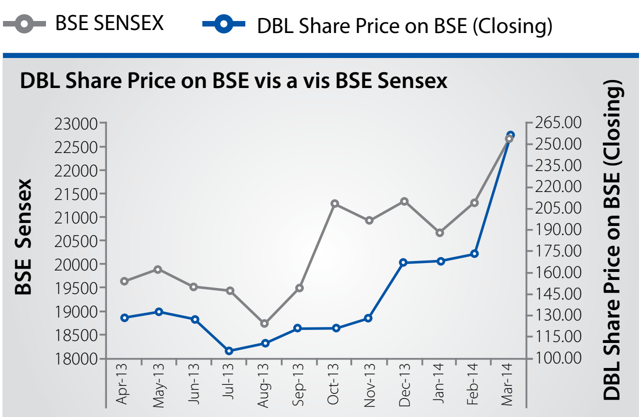
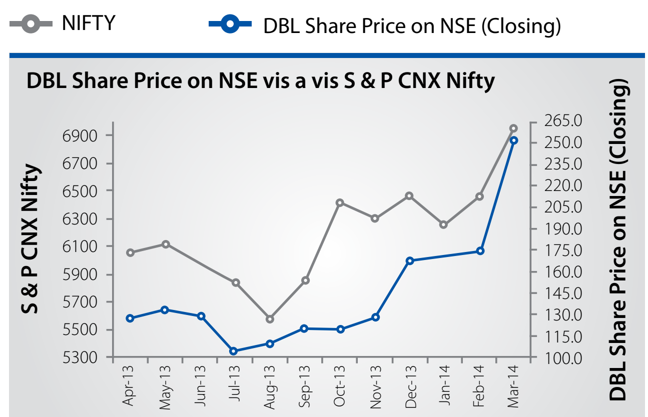


Chart B: The Company's Share Performance versus NIFTY



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 2014.

Table 3: Shareholding pattern by size

Sl. No.	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	8063	71.89	1103496	1.36
2	501 - 1000	1226	10.93	937043	1.15
3	1001 - 2000	938	8.36	1400520	1.73
4	2001 - 3000	334	2.98	840371	1.04
5	3001 - 4000	174	1.55	628193	0.77
6	4001 - 5000	95	0.85	433480	0.53
7	5001 - 10000	191	1.70	1350749	1.66
8	10001 and above	194	1.73	74495451	91.76
TOTAL		**11215**	**100.00**	**81189303**	**100.00**

Table 4: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholding	No. of Shares held	% of Shareholding
Promoters	12	0.11	3814443	4.70
Promoters Bodies Corporate	28	0.25	47168898	58.10
Central/State Governments	4	0.04	128155	0.16
Financial Institutions	2	0.02	1601246	1.97
Mutual Funds	3	0.03	23989	0.03
Foreign Institutional Investors	20	0.18	9451924	11.64
Insurance Companies	2	0.02	381881	0.47
Bodies Corporates	330	2.94	2413504	2.97
Overseas Corporate Bodies	—	—	—	—
Foreign Corporate Bodies	—	—	—	—
NRI/Foreign Nationals	139	1.24	159354	0.20
Individuals/Others	10675	95.19	16045909	19.76
Total	**11215**	**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 2014, 96.14% 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

We have reviewed the implementation of Corporate Governance procedures by **Dalmia Bharat Limited ('the Company')** during the year ended March 31, 2014 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

(Sunil Wahal)
Partner
Membership No. 087294

Place: New Delhi
Dated: May 15, 2014

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.

Y. H. DALMIA
Chief Executive Officer

Place: New Delhi
Dated: May 15, 2014

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 March 31, 2014 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.

Place: New Delhi
Dated: May 15, 2014

JAYESH DOSHI
Chief Financial Officer

Y.H.DALMIA
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To
The Members of
Dalmia Bharat Limited

Report on the financial statements

We have audited the accompanying financial statements of Dalmia Bharat Limited ("the Company") which comprise the balance sheet as at March 31, 2014, 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 the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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:

i) In the case of balance sheet, of the state of affairs of the Company as at March 31, 2014;

ii) In the case of statement of profit and loss, of the profit of the Company for the year ended on that date; and

iii) 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 (as amended) (the Order), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said 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 purposes of our audit;

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

(c) The balance sheet, the statement of profit and loss and the 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 sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

(e) On the basis of written representations received from directors, as on March 31, 2014, and taken on record by the Board of Directors, we further report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.

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

Place: New Delhi
Date: May 15, 2014

Sunil Wahal
Partner
Membership No: 087294

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements" of our report of even date.)

Re: Dalmia 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 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 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 taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) The company has granted unsecured loan to a company which was covered under the register maintained under section 301 of the Companies Act, 1956. 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 Companies Act, 1956. The maximum balance outstanding during the year was amounting of Rs 95.50 crores. The year-end balance of such loan is Rs.50 crores.

(f) 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.

(g) In respect of the aforesaid loans, the Company was regular in payment of interest. We were 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 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 and 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 Companies Act, 1956, that need to be entered into the register maintained under section 301 Companies Act, 1956 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 Companies Act, 1956 including the Rules framed there under apply.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company 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 Companies Act, 1956 for any of the company's activities.

(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 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 Custom Duty, Wealth Tax, Excise Duty, Sales Tax, Service Tax and Cess which have not been deposited on account of any dispute except the following dues of income tax along with the forum where the dispute is pending :

Name of Statute	Nature of Dues	Year to which it pertains	Authority	Amount in Rs. in Crores
Income Tax Act, 1961	Income Tax	Assessment Year 2011-12 and 2012- 13	Commissioner of Income Tax (Appeals), New Delhi	53.09*

*The above amount net of the protective demand of Rs. 63.96 crores and refund receivable but not adjusted by the department of Rs. 4.33 crores.

(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) The company has given guarantees in the form of pledging of mutual funds belonging to the company so that one of the group and subsidiary company can avail loan facility. The terms and conditions of the loan facilities are not, prima facie, prejudicial to the interest of the Company and at the end of the year there is no such amount/facility outstanding.

(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 Companies Act, 1956.

(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

Place: New Delhi
Date: May 15, 2014

Sunil Wahal
Partner
Membership No: 087294

BALANCE SHEET
as at March 31, 2014

(₹ Crore)

	Notes	As at March 31 2014	As at March 31 2013
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	16.24	16.24
Reserves and Surplus	3	554.68	523.94
		570.92	**540.18**
Non- Current Liabilities			
Other Long Term Liabilities	4	—	0.20
Long term provisions	5	8.46	4.63
Deferred Tax Liability	6	0.37	0.52
Current Liabilities			
Short-term borrowings	7	7.98	1.41
Trade payables	8	27.72	33.98
Other current liabilities	9	6.81	9.54
Short-term provisions	10	22.69	19.40
		65.20	**64.33**
Total		**644.95**	**609.86**
ASSETS			
Non-current assets			
Fixed Assets	11		
Tangible assets		8.71	8.47
Intangible assets		0.11	0.13
Capital work in progress		—	—
		8.82	**8.60**
Non-current Investments	12	258.11	258.20
Long term loans and advances	13	53.80	57.07
Current Assets			
Current investments	14	125.46	111.12
Inventories	15	15.57	20.89
Trade Receivables	16	81.74	59.77
Cash and Cash equivalents	17	4.24	1.84
Short-term loans and advances	18	97.21	92.37
		324.22	**285.99**
Total		**644.95**	**609.86**
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

Sunil Wahal
Partner
Membership No.: 087294

Y. H Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2014

Dalmia Bharat Limited

(₹ Crore)

	Notes	For the year ended March 31 2014	For the year ended March 31 2013
INCOME			
Revenue from operations (Gross)	19	229.73	190.60
Less: Excise Duty		—	—
Revenue from operations (Net)		**229.73**	**190.60**
Other income	20	38.32	32.45
Total		**268.05**	**223.05**
EXPENSES			
Consumption of Raw materials	21	42.23	43.95
Purchase of traded goods		1.94	1.14
Change in inventories of finished goods and work in progress	22	4.90	2.02
Employee benefits expense	23	88.97	61.73
Other Expenses	24	63.97	60.83
Finance Costs	25	0.36	0.11
Depreciation and amortization expenses	11	2.34	1.65
Total		204.71	171.43
Profit before tax [including ₹ 0.43 Cr (₹-3.48 Cr.) relating to discontinuing operations		**63.34**	**51.62**
Provision for taxation			
Current tax		13.75	9.78
Deferred Tax		(0.15)	0.34
Prior year tax charge		—	0.17
Total Tax Expenses [including ₹ 0.15 Cr (₹ -1.18 Cr) relating to discontinuing operations]		**13.60**	**10.29**
Profit after Tax [including ₹ 0.28 Cr (₹-2.30 Cr) relating to discontinuing operations]		**49.74**	**41.33**
Earning per Share	26		
Basic and Diluted Earnings Per Share (In ₹)		6.13	5.09
[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

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

Sunil Wahal
Partner
Membership No.: 087294

Y. H Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

CASH FLOW STATEMENT
for the year ended March 31, 2014

(₹ Crore)

		2013-14	2012-13
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**63.34**	**51.62**
	Adjustments		
	Depreciation/Amortisation	2.34	1.65
	Dividend Income	(14.81)	(15.11)
	Interest (net)	(11.81)	(7.10)
	(Profit)/Loss on sale of Investments	(6.17)	(3.26)
	Assets written off	—	0.07
	Profit on sale of assets	(3.40)	(5.24)
	Operating Profit before working Capital Changes	**29.49**	**22.63**
	Adjustments for working Capital changes :		
	Inventories	5.32	11.37
	Trade Payables, Liabilities and Provisions	(4.42)	11.51
	Trade Receivables, Loans and Advances and Other Current Assets	(13.97)	(45.81)
	Cash Generated from Operations	**16.42**	**(0.30)**
	Direct Taxes Paid	(18.35)	(14.64)
	Net Cash from Operating activities	**(1.93)**	**(14.94)**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed Assets including CWIP.	(1.06)	(3.56)
	Sale of Fixed assets including CWIP.	3.92	6.02
	(Purchase)/ Sale of Current Investments (net)	(8.17)	(37.04)
	(Purchase)/ Sale of Non Current Investments (net)	0.09	21.54
	Loan (given)/received back from related parties (net)	(5.00)	5.00
	Interest Received	10.18	8.94
	Dividend Received from current investments	2.61	3.29
	Dividend Received from Non current investments other than subsidiaries	0.37	—
	Dividend Received from subsidiaries	11.83	11.82
	Net Cash from Investing Activities	**14.77**	**16.01**
C	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) from short term borrowings	6.57	(2.79)
	Finance Cost	(0.36)	(0.12)
	Dividend paid (including Dividend Distribution tax)	(16.65)	(12.24)
	Net Cash used in Financing Activities	**(10.44)**	**(15.15)**
	Net increase in cash and cash equivalents (A+B+C)	**2.40**	**(14.08)**
	Cash and cash equivalents (Opening Balance)	**1.84**	**15.92**
	Cash and cash equivalents (Closing Balance)	**4.24**	**1.84**
	Change in Cash & Cash Equivalents	**2.40**	**(14.08)**

Note:

1) Cash & cash equivalents components are as per Note 17 of the Financial Statements
2) Previous year figures have been regrouped/restated where ever considered necessary

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

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

Sunil Wahal
Partner
Membership No.: 087294

Y. H Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

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) read with General Circular 8/2014 issued by Ministry of Corporate affairs 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.

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 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.

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.

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.

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.

2. Share Capital

(₹ Crore)

	As at March 31 2014	As at March 31 2013
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 2014		As at March 31 2013	
	No. of Shares	(₹ Crore)	No. of Shares	(₹ Crore)
At the beginning of the period	81,189,303	16.24	81,189,303	16.24
At the end of the period				
	81,189,303	16.24	81,189,303	16.24

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
During the year ended 31 March 2014, the amount of dividend per share recognized as distribution to equity shareholders was ₹ 2.00 (₹ 2.00).

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 31 Mar 14	During a period of 5 years up to 31 Mar 13
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	80,939,303	80,939,303

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

	As at March 31 2014		As at March 31 2013	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	17,887,537	22.03%	17,887,537	22.03%
Shree Nirman Limited	7,753,890	9.55%	6,540,130	8.06%
Sita Investment Company Limited	5,876,800	7.24%	5,876,800	7.24%
Ankita Pratisthan Limited	5,829,070	7.18%	5,829,070	7.18%

3. Reserves and Surplus

(₹ Crore)

	As at March 31 2014	As at March 31 2013
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	9.80	5.45
Add: Amount transferred from surplus balance in the statement of profit and loss	5.00	4.35
Closing Balance	14.80	9.80
Surplus in the statement of Profit and Loss		
Balance as per last financial statements	44.45	22.55
Profit for the year	49.74	41.33
	94.19	63.88
Add: Provision for Dividend distribution tax written back	—	1.91
	94.19	65.79
Less: Appropriations		
Transfer to General Reserve	5.00	4.35
Proposed Dividend	16.24	16.24
Dividend distribution tax {net of tax credit of ₹ Nil (Rs2.01 Cr) on dividend from subsidiaries}	2.76	0.75
Total Appropriations	24.00	21.34
Net Surplus in the statement of Profit and Loss	**70.19**	**44.45**
Total reserves and surplus	**554.68**	**523.94**

4. Other Long Term Liabilities

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Security deposit received	—	0.20
	—	**0.20**

5. Long Term Provisions

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Provision for leave encashment	2.41	1.51
Provision for employee benefits	6.05	3.12
	8.46	**4.63**

6. Deferred Tax

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Deferred Tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	0.65	0.72
	0.65	0.72
Assets		
Expenses allowable for tax purposes when paid	0.26	0.17
Others	0.02	0.03
	0.28	0.20
Net	**0.37**	**0.52**

7. Short Term borrowings

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Secured		
Working capital loan from Banks	1.19	1.41
Unsecured		
Bills discounted with Banks	6.79	—
	7.98	**1.41**

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 2014	As at March 31 2013
Trade payables (Refer Note 31 of notes to financial statements)		
- Micro and Small Enterprises	—	—
- Others	27.72	33.98
	27.72	**33.98**

9. Other current liabilities

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Advances from customers	1.08	1.48
Security deposit received	0.08	0.06
Directors' Commission payable	0.28	0.28
Unclaimed Dividend*	0.81	0.47
Other liabilities		
- Statutory dues	4.56	6.73
- Others	—	0.52
	6.81	**9.54**

* Not due for deposit in Investor Education & Protection Fund

10. Short term provisions

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Provision for leave encashment	0.62	0.60
Provision for Employee benefits	3.07	1.81
Proposed dividend on equity shares	16.24	16.24
Dividend Distribution tax	2.76	0.75
	22.69	**19.40**

11. Fixed Assets

(₹ Crore)

	Tangible								Intangible	
	Land	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Computer Software	Grand Total
Cost										
As at 1st April,2012	0.09	1.74	6.90	2.05	2.08	1.70	4.43	18.99	0.44	19.43
Additions during the year	—	—	—	0.26	0.15	0.70	2.30	3.41	0.14	3.55
Deductions during the year	—	—	1.26	0.25	0.06	0.47	0.01	2.05	—	2.05
As at 31st March,2013	**0.09**	**1.74**	**5.64**	**2.06**	**2.17**	**1.93**	**6.72**	**20.35**	**0.58**	**20.93**
Additions during the year	—	—	—	0.05	0.14	1.10	1.73	3.02	0.06	3.08
Disposals during the year	—	—	0.79	—	—	0.11	0.05	0.95	—	0.95
As at 31st March,2014	**0.09**	**1.74**	**4.85**	**2.11**	**2.31**	**2.92**	**8.40**	**22.42**	**0.64**	**23.06**
Depreciation										
As at 1st April,2012	—	1.22	3.55	1.33	1.41	0.93	3.13	11.57	0.29	11.86
Charge for the year	—	0.06	0.15	0.13	0.12	0.25	0.78	1.49	0.16	1.65
On Disposals	—	—	0.58	0.19	0.05	0.36	—	1.18	—	1.18
As at 31st March,2013	—	**1.28**	**3.12**	**1.27**	**1.48**	**0.82**	**3.91**	**11.88**	**0.45**	**12.33**
Charge for the year	—	0.06	0.10	0.12	0.13	0.40	1.45	2.26	0.08	2.34
On Disposals	—	—	0.35	—	—	0.04	0.04	0.43	—	0.43
As at 31st March,2014	**—**	**1.34**	**2.87**	**1.39**	**1.61**	**1.18**	**5.32**	**13.71**	**0.53**	**14.24**
Net Block										
As at 31st March,2013	**0.09**	**0.46**	**2.52**	**0.79**	**0.69**	**1.11**	**2.81**	**8.47**	**0.13**	**8.60**
As at 31st March,2014	**0.09**	**0.40**	**1.98**	**0.72**	**0.70**	**1.74**	**3.08**	**8.71**	**0.11**	**8.82**

12. Non-current Investments

(₹ Crore)

		As at March 31 2014		As at March 31 2013	
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				
	215,000,000 (215,000,000) Shares of ₹ 10/- each fully paid up in Dalmia Cement (Bharat) Limited	215.64		215.64	
	420,000 (420,000) Shares of ₹ 10/- each fully paid up in Kanika Investment Limited	2.32		2.32	
	500,000 (500,000) 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 (14,829,764) Equity Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		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 ₹ 86,750/- (₹ 87500/-) each fully paid up in Urban Infrastructure Opportunities Fund		10.46		10.55
C.	**Tax free Bonds (quoted)**		0.25		0.25
	Total		**258.11**		**258.20**
	Quoted (including mutual funds):				
	Book Value		29.19		29.19
	Market Value		23.54		21.12
	Book Value of Unquoted Investments		228.92		229.01
	Aggregate Provision for diminution in value of Investments		1.75		1.75

13. Long term Loans and Advances

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
(Considered good and unsecured unless otherwise stated)				
Capital advances		—		2.02
Loans and advances				
- Employees@		1.09		1.84
- Related parties		7.32		7.30
- Others		29.57		34.62
Security deposit made				
- Related parties	1.25		1.25	
- Others	0.75	2.00	0.82	2.07
Advance Income Tax (Net of provision for Tax ₹14.04 Cr (₹19.31 Cr))		13.82		9.22
		53.80		**57.07**
@ Due from officers		**1.09**		**1.84**

14. Current Investments

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
Units of Mutual Funds (Quoted)				
Debt based schemes *		113.55		99.78
Equity Shares				
Quoted				
5,20,400 (5,20,400) Shares of ₹ 1/- each fully paid up in The Ramco Cements Limited (previously known as 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 investments	—	11.91	0.57	11.34
Total		**125.46**		**111.12**
Quoted (including Mutual Funds):				
Book Value		125.46		111.12
Market Value		132.06		122.68
Aggregate Provision for diminution in value of Investments		—		0.57

15. Inventories

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Raw Materials		
On hand	7.33	6.76
In transit	—	0.85
Work in Progress	0.70	1.02
Finished Goods	6.80	11.38
Stores, Spares etc		
On hand	0.74	0.88
	15.57	**20.89**

16. Trade Receivables

(₹ Crore)

		As at March 31 2014	As at March 31 2013
a)	**Receivables outstanding for a period exceeding six months from the date they are due for payment**		
	Considered good		
	Unsecured	17.73	3.74
		17.73	**3.74**
b)	**Other receivables**		
	Considered good		
	Unsecured	64.01	56.03
		81.74	**59.77**

17. Cash and cash equivalents

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Cash on hand	0.04	0.05
Cheques on hand	0.02	0.08
Balances with Banks :		
- On current accounts	3.37	1.24
- Un paid Dividend account	0.81	0.47
	4.24	**1.84**

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

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Loans	0.82	1.00
Employees @	50.00	45.00
Related parties	40.00	40.00
Others	1.79	0.96
Prepaid Expenses	3.25	1.26
Interest Receivable		
Advances recoverable in cash or in kind or for value to be received	—	0.01
Related parties	1.20	3.64
Others	0.15	0.50
Deposits and Balances with Government Departments and other authorities	**97.21**	**92.37**
@ Due from officers	0.82	0.96

19. Revenue from Operations

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Sale of Refractory goods	77.61	73.97
Management services	138.70	105.27
Brand Fee	13.42	11.36
	229.73	**190.60**

20. Other Income

(₹ Crore)

	For the year ended March 31 2014		For the year ended March 31 2013	
Dividend				
from non-current Investments (Subsidiary company)		11.83		11.82
from non-current Investments (other than Subsidiary)		0.37		—
from current Investments		2.61		3.29
Interest Income on Bank deposits and others		12.17		7.21
Profit on sale of Investments	6.17		3.32	
(including provision for diminution in value of investment written Back)				
Less: Loss on sale of Investments	—	6.17	0.06	3.26
(including provision for diminution in value of investments)				
Profit on sale of Fixed Assets		3.40		5.23
Miscellaneous Receipts		1.77		1.64
		38.32		**32.45**

21. Consumption of Raw Materials

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Bauxite	25.56	31.57
Others	16.67	12.38
Total	**42.23**	**43.95**

22. Change in inventories of finished goods and work in progress

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Finished Goods (Refractory)	6.80	11.38
- Closing stock	11.38	13.59
- Opening stock	4.58	2.21
Work-in-Progress	0.70	1.02
- Closing stock	1.02	0.83
- Opening stock	0.32	(0.19)
(Increase) / Decrease	**4.90**	**2.02**

23. Employee benefits expense

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Salaries, Wages and Bonus	80.64	56.18
Contribution to Provident Fund and Other Funds	4.58	3.28
Workmen and Staff Welfare expenses	3.75	2.27
	88.97	**61.73**

24. Other Expenses

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Power and Fuel	4.03	3.84
Processing charges	18.55	20.54
Rent	3.16	2.05
Freight Charges	0.73	0.96
Charity and Donation	0.01	0.01
Professional Charges	6.91	6.70
Insurance	0.36	0.54
Rates and Taxes	0.27	0.26
Travelling Expenses	6.51	4.14
Computer Expenses	8.47	6.27
Advertisement and Publicity	0.63	2.09
Exchange Loss	1.08	0.27
Miscellaneous Expenses	13.26	13.16
	63.97	**60.83**

25. Finance Costs

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Interest on borrowing from banks	0.09	0.11
Other borrowing cost	0.27	—
	0.36	**0.11**

26. Earning Per Share

	For the year ended March 31 2014	For the year ended March 31 2013
Net Profit for calculation of Basic and Diluted EPS (₹ Cr.)	49.74	41.33
Total number of equity shares outstanding at the end of the year	81,189,303	81,189,303
Weighted average number of equity shares in calculating Basic and Diluted EPS	81,189,303	81,189,303
Basic and Diluted EPS (₹)	6.13	5.09

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

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
a)	Claims against the Company not acknowledged as debts	—	—

28. Capital and other commitment

(₹ Crore)

Particulars	2013-14	2012-13
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	—	—
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	2013-14	2012-13
Statutory auditors		
i) Audit Fee	0.04	0.05
ii) Other services	0.01	0.04
iii) For Expenses	0.01	—

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	2013-14	2012-13
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.	—	—
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 as at the Balance Sheet date:

Forward contract outstanding as at Balance Sheet date: NIL

Particulars of unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (₹ Cr.)
Raw materials Purchase Contract	USD 8,82,381 (USD 1,441,547)	5.29
	Closing rate 1USD = ₹ 59.92 (₹54.90)	(7.91)

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	2013-14	2012-13
Raw Material	23.89	16.59

34. Expenditure in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2013-14	2012-13
Professional Fees,	0.18	0.16
Travelling exp	0.15	0.16
Others	0.15	0.15
Total	**0.48**	**0.47**

35. Earnings in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2013-14	2012-13
Export of goods at FOB value	5.39	4.43
Total	**5.39**	4.43

36. Details regarding imported and indigenous materials consumed during the year:

	Imported		Indigenous		Value of total consumption
	Value (₹ Cr.)	Percentage to total consumption	Value (₹ Cr.)	Percentage to total consumption	(₹ Cr.)
Raw Materials	25.74	60.95	16.49	39.05	42.23
	(16.78)	(38.18)	(27.17)	(61.82)	(43.95)

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 summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized 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)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	0.74	0.73	0.53	0.52
Interest Cost	0.30	0.20	—	—
Expected return on plan assets	(0.33)	(0.23)	—	—
Net Actuarial (Gain)/ Loss	0.68	0.35	—	—
Total Expense	**1.39**	**1.05**	**0.53**	**0.52**
Actual return on plan assets	0.30	0.22	—	—

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Present value of obligation as at year-end	5.12	3.69	8.92	8.76
Fair value of plan assets as at year-end	5.54	3.54	8.83	8.83
Funded status {(Surplus/(Deficit)}	0.42	(0.15)	(0.09)	0.07
Net Asset / (Liability) as at year end	**0.42**	**(0.15)**	**(0.09)**	**0.07**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening defined benefit obligation	3.69	2.59	8.76	7.46
Interest Cost	0.29	0.21	0.71	0.63
Contribution by plan participation / employees	—	—	0.73	0.67
Current service cost	0.74	0.73	0.53	0.52
Actuarial (gains)/ losses on obligation	0.70	0.34	0.06	(0.04)
Benefit paid	(0.30)	(0.18)	(1.87)	(0.50)
Settlements/Transfer in	—	—	—	0.02
Closing defined benefit obligation	**5.12**	**3.69**	**8.92**	**8.76**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening fair value of plan assets	3.54	2.50	8.83	7.42
Expected return on plan assets	0.33	0.23	0.74	0.63
Contribution by employer	2.00	1.00	0.53	0.52
Contribution by plan participant / employee			0.73	0.67
Benefit paid	(0.34)	(0.18)	(1.87)	(0.50)
Settlements / Transfer in				0.02
Actuarial gains/ (losses) on plan assets	0.02	(0.01)	(0.13)	0.07
Closing fair value of plan assets	**5.54**	**3.54**	**8.83**	**8.83**

The Company expects to contribute ₹ 1.16 Cr (₹ 1.20 Cr.) to gratuity fund in 2014-15.

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)	
	2013-14	2012-13	2013-14	2012-13
Qualifying Insurance Policy	99%	100%	—	—
Bank Balance	1%	—		
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)	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	8.00%	8.00%	9.00%	8.50%
Expected rate of return on assets	8.75%	9.25%	8.75%	—
Mortality Table	IALM (1994-96)	IALM (1994-96)	IALM (1994-96)	IALM (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)		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Defined benefit obligation	5.12	3.69	2.59	8.92	8.76	7.46
Plan assets	5.54	3.54	2.50	8.83	8.83	7.42
Surplus/ (deficit)	0.42	(0.15)	(0.09)	(0.09)	0.07	(0.04)
Experience adjustment on plan asset (Loss) / Gain	(0.03)	(0.01)	—	—	—	—
Experience adjustment on plan liabilities (Loss) / Gain	(0.23)	(0.34)	(0.05)	—	—	—

Provident and other funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2013-14	2012-13
Provident Fund / Pension Fund/Superannuation funds	**2.94**	2.20

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	77.61	152.47	—	230.08
	(73.97)	(118.12)	(-)	(192.09)
Less: Inter Segment Revenue	—	0.35	—	0.35
	(-)	(1.49)	(-)	(1.49)
Net Revenue	**77.61**	**152.12**	**—**	**229.73**
	(73.97)	(116.63)	(-)	(190.60)
Results				
Segment result	0.46	30.10	-0.01	30.55
	(-3.38)	(29.50)	(0.03)	(26.15)
Less: Finance Cost				0.36
				(0.11)
Add: Other unallocable income net of unallocable expenditure				33.15
				(25.58)
Profit before tax				63.34
				(51.62)
Tax expense				13.60
				(10.29)
Profit after tax				49.74
				(41.33)
Assets	40.08	207.11	0.37	247.56
	(35.74)	(195.21)	(0.38)	(231.33)
Non Segments Assets				397.39
				(378.53)
Total Assets				**644.95**
				(609.86)
Liabilities	20.69	33.96	0.01	54.66
	(16.96)	(35.21)	(0.01)	(52.18)
Non Segments liabilities				19.37
				(17.50)
Total Liabilities				**74.03**
				(69.68)
Depreciation	—	2.33	0.01	2.34
	(-)	(1.64)	(0.01)	(1.65)
Capital Expenditure	—	3.08	—	3.08
	(-)	(3.54)	(-)	(3.54)

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, Kanika Investment Limited.

Subsidiaries of Dalmia Cement (Bharat) Limited

Arjuna Brokers & Minerals 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, Calcom Cement (India) 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).

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	Subsidiaries	Step-down Subsidiaries	Associate of Subsidiary	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	—	94.44	35.45	26.72	—	11.40	168.01
	(-)	(84.34)	(9.32)	(16.66)	(-)	(10.73)	(121.05)
Reimbursement of expenses – receivable	—	0.70	0.74	0.07	—	5.12	6.63
	(-)	(3.70)	(1.18)	(0.43)	(-)	(4.62)	(9.93)
Reimbursement of expenses – payable	—	1.19	0.06	0.19	—	9.28	10.72
	(-)	(0.78)	(0.07)	(-)	(-)	(7.79)	(8.64)
Purchase of goods and services	—	3.18	—	—	—	24.36	27.54
	(-)	(3.26)	(-)	(-)	(-)	(26.70)	(29.96)
Interest Received	—		—	—	—	7.82	7.82
	(-)	(0.71)	(-)	(-)	(-)	(2.47)	(3.18)
Dividend Received	—	11.83	—	—	—	0.37	12.20
	(-)	(11.83)	(-)	(-)	(-)	(-)	(11.83)
Dividend Paid	—	—	—	—	—	0.19	0.19
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans and Advances given	—	0.02	—	—	—	75.50	75.52
	(-)	(38.27)	(-)	(-)	(-)	(-)	(38.27)
Loans and advances received back	—	—	—	—	—	70.50	70.50
	(-)	(38.08)	(-)	(-)	(-)	(5.00)	(43.08)
Purchase of Fixed Assets	—		—	—	—	0.03	0.03
	(-)	(-)	(-)	(-)	(-)	(0.04)	(0.04)
Sale of Fixed Assets	—	—	—	—	—	—	—
	(-)	(-)	(1.84)	(4.41)	(-)	(-)	(6.25)
Rent received	—	—	—	—	—	0.01	0.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rent paid	—	0.01	—	—	—	—	0.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Security deposit given	—	0.02	—	—	—	—	0.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Directors sitting fees	—	—	—	—	0.02	—	0.02
	(-)	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Salary and Perquisites*	—	—	—	—	2.08	—	2.08
	(-)	(-)	(-)	(-)	(0.92)	(-)	(0.92)

(*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 ₹ 94.44 Cr (Previous Year ₹ 84.34 Cr), OCL India Limited ₹ 26.72 Cr (Previous Year ₹ 16.66 Cr), Calcom Cement India Ltd ₹ 15.59 Cr (Previous Year Nil), Adhunik Cement Limited ₹ 15.27 Cr (Previous Year Nil).
2. Reimbursement of expenses – receivable includes transaction with Dalmia Cement (Bharat) Limited ₹ 0.70 Cr (Previous Year ₹ 3.70 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹ 4.91 Cr (Previous Year ₹ 4.22 Cr)
3. Reimbursement of expenses – payable includes transaction with Shri Nataraj Ceramic and Chemical Industries Limited ₹ 27.72 Cr (Previous Year ₹ 7.73 Cr), Dalmia Cement (Bharat) Limited ₹ 1.19 Cr (Previous Year ₹ 0.78 Cr)
4. Purchase of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹ 3.18 Cr (Previous Year ₹ 3.26 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹ 20.60 Cr (Previous Year ₹ 23.70 Cr), Dalmia Bharat Sugar and Industries Limited ₹ 3.75 Cr (Previous Year ₹ 3.00 Cr).

5. Interest received includes transaction with Dalmia Cement (Bharat) Limited Nil (Previous Year ₹ 0.71 Cr.), Dalmia Bharat Sugar and Industries Limited ₹ 7.82 Cr (Previous Year ₹ 2.47 Cr).
6. Dividend received includes transaction with Dalmia Cement (Bharat) Limited ₹ 11.83 Cr (Previous Year ₹ 11.83 Cr), Dalmia Bharat Sugar and Industries Limited ₹ 0.37 Cr (Previous Year Nil)
7. Dividend paid includes transaction with Dalmia Bharat Sugar and Industries Limited ₹ 0.19 Cr (Previous Year Nil)
8. Loan and advances given includes transaction with Dalmia Cement (Bharat) Limited Nil (Previous Year ₹ 38.00 Cr), Dalmia Bharat Sugar and Industries Limited ₹ 75.50 Cr (Previous Year Nil).
9. Loans and advances received back includes transaction with Dalmia Cement (Bharat) Limited Nil (Previous Year ₹ 38.00 Cr), Dalmia Bharat Sugar and Industries Limited ₹ 70.50 Cr (Previous Year ₹ 5.00 Cr).
10. Purchase of Fixed Assets includes transaction with Dalmia Bharat Sugar and Industries Limited ₹ 0.03 Cr (Previous Year ₹ 0.04 Cr).
11. Sale of Fixed Assets includes transaction with OCL India Limited Nil (Previous Year ₹ 4.41 Cr), Adhunik Cement Limited Nil (Previous Year ₹ 1.05 Cr.), and Calcom Cements India Limited Nil (Previous Year ₹ 0.79 Cr).
12. Rent received includes transaction with Shri Nataraj Ceramic and Chemical Industries Limited ₹ 0.01 Cr (Previous Year Nil).
13. Rent paid includes transaction with Dalmia Cement (Bharat) Limited ₹ 0.01 Cr (Previous Year Nil).
14. Security deposit given includes transaction with Dalmia Cement (Bharat) Limited ₹ 0.02 Cr (Previous Year Nil).
15. Director sitting fees includes transaction with Sh Gautam Dalmia ₹ 0.01 Cr (Previous year ₹ 0.01 Cr) and Sh. Puneet Dalmia ₹ 0.01 Cr (Previous year ₹ 0.01 Cr)
16. Salary & Perquisites includes transaction with Sh. Jai Hari Dalmia ₹ 1.60 Cr (Previous Year ₹ 0.44 Cr), Sh. Yadu Hari Dalmia ₹ 0.48 Cr (Previous Year ₹ 0.48 Cr).

Balances outstanding at year end:

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiaries	Step-down Subsidiaries	Associate of Subsidiary	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loans receivable	—	7.32	—	—	—	50.00	57.32
	(-)	(7.31)	(-)	(-)	(-)	(45.00)	(52.31)
Amounts receivable	—	18.19	33.23	8.23	—	3.77	63.42
	(-)	(10.29)	(12.42)	(20.75)	(-)	(5.11)	(48.57)
Amounts payable	—	—	—	—	—	2.86	2.86
	(-)	(0.61)	(-)	(-)	(-)	(4.61)	(5.22)
Security deposit receivable	—	—	—	—	—	1.25	1.25
	(-)	(-)	(-)	(-)	(-)	(1.25)	(1.25)

1. Loan receivable includes Dalmia Power Limited ₹ 7.32 Cr (Previous Year ₹ 7.30 Cr), Dalmia Bharat Sugar and Industries Limited ₹ 50.00 Cr (Previous Year ₹ 45.00 Cr).
2. Amount receivable includes Dalmia Cement (Bharat) Limited ₹ 18.19 Cr (Previous Year ₹ 10.29 Cr), Adhunik Cements Limited ₹ 8.37 Cr (Previous Year ₹ 6.06 Cr), Calcom Cements India Limited ₹ 22.46 Cr (Previous Year ₹ 6.30 Cr.), OCL India Limited ₹ 8.23 Cr (Previous Year ₹ 20.75 Cr) Dalmia Bharat Sugar and Industries Limited ₹ 3.70 Cr (Previous Year ₹ 5.05 Cr), DCB Power Ventures Ltd ₹ 2.35 Cr (Pervious Year Nil).
3. Amount payable includes Dalmia Cement (Bharat) Limited Nil (Previous Year ₹ 0.61 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹ 2.79 Cr (Previous Year ₹ 4.59 Cr).
4. Security deposit receivable includes Shri Nataraj Ceramic and Chemical Industries Limited ₹ 1.25 Cr (Previous Year ₹ 1.25 Cr).

40. The Directors of the Company at its meeting held on 12th February,2014 have decided to discontinue the operations of Refractory Business, which is also a separate segment as per AS 17, Segment Reporting, w.e.f.31st March,14. The carrying amount of the total assets and liabilities of discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Total Assets	40.08	35.73
Total Liabilities	20.69	16.95
Net Assets	**19.39**	**18.78**

The net cash flows attributable to the discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Operating	(6.90)	3.05
Investing	0.32	—
Financing	6.20	(2.90)
Net cash inflows/ (outflows)	(0.38)	0.15

The amount of revenue and expenses in respect of discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Net Sales/ Income from operations (net of excise duty)	77.61	73.97
Other Income	0.79	0.50
Total Expenses	77.61	77.84
Finance Cost	0.36	0.11
Profit before Tax	0.43	(3.48)
Tax Expenses	0.15	(1.18)
Profit after Tax	0.28	(2.30)

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

Particulars	Outstanding amount at end of financial year	Maximum amount outstanding during financial year	Outstanding amount at end of financial year	Maximum amount outstanding during financial year
	2013-14	2013-14	2012-13	2012-13
Loans and Advances to subsidiary :-				
Dalmia Power Limited	7.32	7.32	7.30	7.30
Kanika Investment Limited	—	0.01	0.01	0.01

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

43. 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

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

Sunil Wahal
Partner
Membership No.: 087294

Y. H Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of

Dalmia Bharat Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dalmia Bharat Limited ('the Company') its subsidiaries and jointly controlled entities (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2014, 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 Group 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 misstatement, 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 consolidated 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, and based on the consideration of reports of the other auditors on the financial statements of the subsidiary and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;

(ii) in the case of Consolidated Statement of Profit and Loss, of the lossof the Group for the year ended on that date; and

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

Other Matters

1. Financial statements of one joint venture and certain subsidiaries which reflect total assets of ₹1927.12 Crores as at 31st March 2014, total revenue of ₹ 604.16 Crores and net cash outflows amounting to ₹ 7.85 Crores for the year then ended, have not been audited by us.

2. We have relied on the audited financial statements in respect of one associate wherein the Group's share of net profit of ₹ 48.77 Crores for the year ended 31 March, 2014 as appearing in the consolidated financial statements.

3. Our opinion is not qualified in respect of these matters.

For **S.S. Kothari Mehta & Co.**

Chartered Accountants

Firm Regn. No. 000756N

Sunil Wahal

Partner

Membership No. 087294

Place: New Delhi

Date: 15 May 2014

CONSOLIDATED BALANCE SHEET
as at March 31, 2014

(₹ Crore)

	Notes	As at March 31 2014	As at March 31 2013
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	16.24	16.24
Reserves and Surplus	3	3,078.50	3,051.69
		3,094.74	**3,067.93**
Preference Capital Held by others		0.70	0.70
Minority Interest		445.66	517.40
Deferred Capital Investment Subsidy		30.51	32.42
Non- Current Liabilities			
Long-term borrowings	4	3,550.78	2,990.04
Deferred Tax Liability (Net)	5	155.96	131.34
Other long-term liabilities	6	70.82	211.13
Long term provisions	7	34.18	27.45
		3,811.74	**3,359.96**
Current Liabilities			
Short-term borrowings	8	530.96	292.36
Trade payables	9	378.94	341.10
Other current liabilities	10	431.87	363.91
Short-term provisions	11	30.71	38.35
		1,372.48	**1,035.72**
Total		**8,755.83**	**8,014.13**
ASSETS			
Non-current assets			
Goodwill on Consolidation		469.00	405.22
Fixed Assets			
Tangible assets	12	4,255.32	4,251.27
Intangible assets	12	4.09	5.62
Capital work-in-progress		1,237.85	550.28
		5,966.26	**5,212.39**
Non-current Investments	13	679.96	619.50
Long term loans and advances	14	418.75	606.39
Other Non-Current Assets	15	4.25	2.82
Current Assets			
Current Investments	16	553.66	560.85
Inventories	17	331.11	351.97
Trade Receivables	18	278.19	257.21
Cash and cash equivalents	19	84.39	99.93
Short-term loans and advances	20	437.45	298.41
Other current assets	21	1.81	4.66
		1,686.61	**1,573.03**
Total		**8,755.83**	**8,014.13**
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

Sunil Wahal
Partner
Membership No.: 087294

Y. H. Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS
for the year ended March 31, 2014

Dalmia Bharat Limited

(₹ Crore)

	Notes		For the year ended March 31 2014		For the year ended March 31 2013
INCOME					
Revenue from operations (gross)	22		3,363.89		3,160.47
Less: Excise Duty			409.35		369.85
Revenue from operations (Net)			**2,954.54**		**2,790.62**
Other income	23		120.52		76.94
Total Revenue (I)			**3,075.06**		**2,867.56**
Expenses					
Cost of Raw Materials consumed	24		370.94		301.26
Purchase of traded goods			1.94		1.14
Change in inventories of finished goods and work in progress	25		17.57		(5.77)
Employee benefits expense	26		225.68		198.96
Other Expenses	27		1,924.55		1,660.85
Total (II)			**2,540.68**		**2,156.44**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)			**534.38**		**711.12**
Finance Costs	28		315.14		231.43
Depreciation and amortization expenses	12		242.15		205.94
Profit before tax [including ₹0.43 Cr (₹-3.48 Cr) relating to discontinuing operations]			**(22.91)**		**273.75**
Tax expense					
Current tax		34.02		95.86	
MAT Credit (Entitlement) / Charge		0.40		4.54	
			34.42		100.40
Deferred Tax			24.62		38.63
Prior year tax charge			5.39		(5.45)
Total Tax Expense [including ₹0.15 Cr (₹-1.18 Cr relating to discontinuing operations]			**64.43**		**133.58**
Profit/(Loss)after Tax before Share of Profit in Associates			**(87.34)**		**140.17**
Add: Share of Profit in Associates			**48.77**		**72.29**
Less: Share of Minority Interest			**(30.15)**		**15.35**
Profit/(Loss) after tax [including ₹0.28 Cr (₹-2.30 Cr) relating to discontinuing operations]			**(8.42)**		**197.11**
Earning per Share	29				
Basic and Diluted Earnings Per Share (In ₹)			(1.04)		24.28
[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

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 15, 2014

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

Y. H. Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2014

(₹ Crore)

		2013-14	2012-13
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**(22.91)**	**273.75**
	Adjustments		
	Depreciation/Amortisation	243.76	205.94
	Provision for doubtful debts/advances	(1.45)	1.34
	Bad debts written off	9.05	0.02
	Dividend Income	(4.54)	(11.28)
	Finance cost	315.14	231.43
	Interest Income	(17.47)	(12.40)
	(Profit)/Loss on sale of Investments (net)	(40.03)	(15.57)
	(Profit) on sale of assets	(3.40)	(5.24)
	Assets written off/Loss on sale of assets	1.84	0.45
	Operating Profit before working Capital Changes	**479.99**	**668.44**
	Adjustments for working Capital changes :		
	Inventories	20.86	(55.47)
	Trade Payables, Liabilities and Provisions	(22.71)	49.25
	Trade Receivables, Loans and Advances and Other Current Assets	(86.11)	(228.96)
	Cash Generated from Operations	**392.03**	**433.26**
	Direct Taxes Paid	(48.31)	(101.87)
	Net Cash from Operating activities	**343.72**	**331.39**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed Assets including CWIP.	(705.85)	(374.21)
	Proceeds from sale of Fixed Assets	5.90	34.38
	(Purchase)/ Sale of Current Investments (net)	47.22	(113.94)
	(Purchase)/ Sale of Non Current Investments (net)	(21.25)	187.03
	Acquisition of subsidiaries	(131.75)	(412.92)
	Loans (given) / received back (net)	(2.00)	36.38
	Interest Received	15.43	13.99
	Dividend Received from Current Investments	4.17	11.27
	Dividend Received from Non Current Investments	0.37	0.01
	Net Cash used in Investing Activities	**(787.76)**	**(618.01)**
C	**Cash from Financing Activities**		
	Proceeds / (Repayment) from Short term Borrowings	238.60	(207.33)
	Proceeds / (Repayment) from Long term Borrowings	604.05	782.05
	Finance cost	(389.56)	(244.49)
	Dividend paid	(15.90)	(13.99)
	Dividend Distribution tax paid	(2.76)	(2.32)
	Distribution tax on dividend from associates	(5.93)	—
	Net Cash from Financing Activities	**428.50**	**313.92**
	Net increase/decrease in cash and cash equivalents (A+B+C)	**(15.54)**	**27.30**
	Cash and cash equivalents (Opening Balance)	99.93	66.37
	Add: Additions on acquistion of subsidiaries	—	6.26
	Cash and cash equivalents (Closing Balance)	84.39	99.93
	Change in Cash & Cash Equivalents	**(15.54)**	**27.30**

Note:

1) Cash & cash equivalents components are as per Note 19 of the Financial Statements

2) Previous year figures have been regrouped/restated where ever considered necessary

As per our report of even date

For **S. S. Kothari Mehta & Co.**
Chartered Accountants

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

Sunil Wahal
Partner
Membership No.: 087294

Y. H. Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

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) read with General Circular 8/2014 issued by Ministry of Corporate affairs 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 pursuant to the Schemes of Arrangement which are carried at fair market value.

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 collectively 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.

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, 2014).

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 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.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

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 Buildings	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 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 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 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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. 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. 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 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.

2. Share Capital

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Authorised :		
100,000,000 (100,000,000) Equity Shares of ₹ 2/- each	20.00	20.00
	20.00	**20.00**
Issued, Subscribed and Fully Paid Up :		
81,189,303 (81,189,303) 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**

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
	No. of Shares	% holding	No. of Shares	% holding
At the beginning of the period	81,189,303	16.24	81,189,303	16.24
At the end of the period	**81,189,303**	**16.24**	**81,189,303**	**16.24**

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

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

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 31 March 14	During a period of 5 years up to 31 March 13
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	80,939,303	80,939,303

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

	As at March 31 2014		As at March 31 2013	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	17,887,537	22.03%	17,887,537	22.03%
Shree Nirman Limited	7,753,890	9.55%	6,540,130	8.06%
Sita Investment Company Limited	5,876,800	7.24%	5,876,800	7.24%
Ankita Pratisthan Limited	5,829,070	7.18%	5,829,070	7.18%

3. Reserves and Surplus

(₹ Crore)

	As at March 31 2014	As at March 31 2013
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	33.05	—
Closing Balance	**2,578.66**	**2,545.61**
Securities Premium Reserve		
Opening Balance as per last financial statements	458.70	458.70
Closing Balance	**458.70**	**458.70**
General Reserve		
Opening Balance as per last financial statements	9.80	5.45
Add: Transfer from surplus balance in statement of profit and loss	5.00	4.35
Closing Balance	**14.80**	**9.80**
Reserve Fund as per RBI		
Opening Balance as per last financial statements	0.03	0.03
Closing Balance	**0.03**	**0.03**
Debenture Redemption Reserve		
Opening Balance as per last financial statements	75.83	58.54
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	14.17	17.29
Closing Balance	**90.00**	**75.83**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	308.76	152.29
Add: Adjustment on amalgamation of subsidiary company	36.67	—
Profit for the year	(8.42)	197.11
Less: Appropriations		
Transfer to Debenture Redemption Reserve	14.17	17.29
Transfer to General Reserve	5.00	4.35
Proposed Dividend on equity shares	16.24	16.24
Dividend Distribution Tax	2.76	2.76
Distribution Tax on Dividend from Associates (inclusive of ₹ 5.27 Cr relating to earlier years)	5.93	—
Total Appropriations	**44.10**	**40.64**
Net Surplus in the Statement of Profit and Loss	**292.91**	**308.76**
Total Reserves and Surplus	**3,446.29**	**3,409.92**
Less: Minority Interest	367.79	358.23
	3,078.50	**3,051.69**

4. Long Term Borrowings

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
Secured				
A. Redeemable Non-Convertible Debentures	402.00		456.00	
Less: Shown in current maturities of long term borrowings	95.34	306.66	54.00	402.00
B. Term Loans:				
i. From Banks	2,804.72		2,145.06	
Less: Shown in current maturities of long term borrowings	81.11	2,723.61	71.91	2,073.15
ii. From Others	469.23		458.30	
Less: Shown in current maturities of long term borrowings	4.24	464.99	7.02	451.28
C. Deferred Payment Liabilities	0.86		1.95	
Less: Shown in current maturities of long term borrowings	0.86	—	1.05	0.90
D. Lease Obligations towards Equipment Finance	0.23		3.35	
Less: Shown in current maturities of long term borrowings	0.20	0.03	3.08	0.27
Total secured long term borrowings		**3,495.29**		**2,927.60**
Unsecured				
E. Fixed Deposits	7.44		6.54	
Less: Shown in current maturities of long term borrowings	1.23	6.21	2.29	4.25
F. Deferred payment liabilities	57.91		66.83	
Less: Shown in current maturities of long term borrowings	8.63	49.28	8.92	57.91
G. From Banks	—		0.31	
Less: Shown in current maturities of long term borrowings	—	—	0.03	0.28
Total unsecured long term borrowings		**55.49**		**62.44**
Total long term borrowings		**3,550.78**		**2,990.04**

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

i) 10.75%, ₹100 Cr (₹ 100Cr.) 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. For ₹75 Cr (Nil), interest rate swap has been taken @9.20% payable on USD 12,133,959.

ii) 11%, ₹100 Cr (₹ 100 Cr) 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 ₹16 Cr (₹28 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 Dec 2014.

iv) 8.90%, Series XA ₹16 Cr (₹28 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 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 ₹35 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 two yearly instalments of ₹15 Cr and ₹20 Cr in October 2014 and October 2015.

vii) 8.87%, Series XI ₹35 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 two yearly instalments of ₹15 Cr and ₹20 Cr in May 2014 and May 2015.

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

i) ₹43.48 Cr (₹51.17 Cr) carrying interest at Libor plus 2.146% (presently 2.4795%) 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) ₹ 824.18 Cr (₹868.72 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 1.00% (present 11.20%). It is repayable within 38 unequal quarterly installment in the range of ₹ 11.14 Cr to ₹ 47.33 Cr each till Sep 2022.

iii) ₹ 100.00 Cr (₹100.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.05% (present 11.80%). It is repayable within 6 unequal annual installment in the range of ₹ 5.00 Cr to ₹ 30.00 Cr each commencing from Nov 2015.

iv) ₹ 200.00 Cr (₹150.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.75% (present 12.00%). It is repayable within 24 equal quarterly installments commencing from December 2016.

v) ₹ 40.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Ariyalur and Cuddapah Unit at base rate plus 1.75% (present 12.00%). It is repayable within 24 equal quarterly installments commencing from December 2016.

vi) ₹ 543.08 Cr (₹ 200.00 Cr) 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 11.50%). 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) ₹ 61.08 Cr (Nil) carrying interest at Libor plus 2.05% (presently 2.43%) are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum. The Loan has been availed in foreign currency repayable in 16 half yearly installments of USD 0.06 Cr. each from Oct 14.

viii) ₹ 35.83 Cr (₹46.95 Cr) are secured by mortgage and first charge on all the movable and immovable properties (present and future) and a second charge on entire current assets of Adhunik Cement Limited at base rate plus TP plus 0.45% (present 11.30%). It is repayable in unequal quarterly installments in the range of ₹2.87 Cr to 3.28 Cr till March 2023.

ix) ₹ 150.00 Cr (₹150.00 Cr) are secured by mortgage and first charge on all the movable and immovable properties (present and future) and a second charge on the entire current assets of Adhunik Cement Limited at base rate plus TP plus 0.75% (present 11.30%). It is repayable in 24 unequal quarterly installments in the range of ₹0.75 Cr to 16.50 Cr commencing from March, 2015 to December, 2020.

x) ₹ 350.00 Cr (₹275.34 Cr) are secured by mortgage and first charge on all the movable and immovable properties (present and future) and a second charge on the entire current assets 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.

xi) ₹457.07 Cr (₹302.88 Cr) including Funded interest term loan of ₹43.66 Cr (₹28.56 Cr) are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited ("CCIL"), both present and future and a second charge on the entire current assets of CCIL. These loans are also secured by the pledge of 43,848,910 equity shares of CCIL held by erstwhile promoters, their relatives and two subsidiaries of CCIL. These loans are additionally secured by the corporate guarantee of two subsidiary companies of CCIL, personal guarantee of one director and two former directors of CCIL. The loan of ₹ 23.48 Cr is also secured by corporate guarantee issued by Dalmia Cement Bharat Ltd., holding company of CCIL. The Loan is payable in unequal quarterly instalments till Sep 2021 and carry interest in the range of 4% to 12.75%.

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

i) ₹ 312.00 Cr (₹ 289.46 Cr) carrying interest @ 0.10% p.a. are secured by a first pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2017-18 but repayment schedule is yet to be finalised.

ii) ₹ Nil (₹ 29.28 Cr) 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%. It is repayable within 16 unequal quarterly installments in the range of ₹1.76 Cr to 2.20 Cr from June, 2013.

iii) ₹138.43 Cr (₹122.03 Cr) from 'Guarantco' 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% (present 1.82% to 3.07%). The loan has been availed in foreign currency. During an earlier year, two banks had invoked the guarantees in respect of their loan and interest of Rs.108.30 cr and Rs.3.70 Cr respectively which were secured by the guarantee of Guarantco, an overseas body corporate, due to delays in repayment of interest by CCIL. Accordingly the above amount, as per the original contract with Guarantco, became immediately payable by CCIL in view of demand raised by Guarantco.Hoewever, in terms of the Memorandum of Understanding (MOU) dated 26th july,2012 entered in to between Guarantco and CCIL, Guarantco had agreed for the sacrifice on similar lines as that of the CDR lenders. According to the MOU, the loan has been converted into a foreign currency loan (subject to obtaining requisite approval of RBI). The management is in the process of obtaining requisite approval of the RBI and is confident that the approval will be obtained in due course.

iv) ₹ 18.80 Cr (₹17.53 Cr) 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,2016 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:

₹ 7.44 Cr (₹ 6.54 Cr) are repayable in next 1 month to 36 months with interest rate in the range of 9.50% to 10%.

7) Interest free, ₹ 57.91 Cr. (₹ 66.83 Cr) deferred payment liabilities referred to in F above are repayable after 10 years from date of deferrment and is payable in monthly instalments of ₹ 0.05 Cr to ₹ 9.06 Cr till FY 2016-17.

8) Housing loans from Bank referred to in G above to the extent of ₹ Nil (₹ 0.03 Cr) is payable at applicable interest rate in unequal monthly installments. For ₹ Nil (₹ 0.28 Cr) repayment terms are yet to be communicated by bank.

The period and amount of default by its subsidiaries, as on the reporting date in repayment of loans and interest are as follows:

Description	Type	₹ Cr	Period of default	Subsidiary
Interest on Indian Rupee Loan from Bank	Interest	0.73	Less than 30 days	Adhunik Cement Limited
Interest on Fresh Term Loan from Banks	interest	0.79	Less than 15 days	Calcom Cement India Ltd
Interest on Existing Term Loan from Banks	interest	0.25	Less than 15 days	Calcom Cement India Ltd
Interest on WCTL from Banks	interest	0.16	Less than 30 days	Calcom Cement India Ltd
Interest on Funded Interest Term Loan from Banks	interest	0.03	Less than 30 days	Calcom Cement India Ltd
Interest on Foreign currency Loan	interest	0.16	365 days	Calcom Cement India Ltd

5. Deferred Tax Liability (Net)

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Deferred Tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	161.45	138.01
	161.45	138.01
Assets		
Expenses allowable for tax purpose when paid	1.45	1.36
Provision for doubtful debts and advances	4.01	5.25
Others	0.03	0.06
	5.49	6.67
Net	**155.96**	**131.34**

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

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Security deposit received	58.91	42.76
Retention Money Payable	3.63	12.53
Purchase Consideration payable for investments	-	107.67
Other Liabilities	8.28	48.17
	70.82	**211.13**

7. Long Term Provisions

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Mines reclamation liability	9.23	8.31
Provision for leave encashment	6.60	6.72
Provision for employee benefits	18.35	12.42
	34.18	**27.45**

8. Short Term borrowings

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Secured		
A. Rupee loan from Banks	375.47	70.85
B. Foreign currency loan	140.59	213.33
Total secured short term borrowings	**516.06**	**284.18**
Unsecured		
C. Fixed Deposits	0.70	0.77
D. From Others	7.41	7.41
E. Bills Discounted	6.79	—
Total unsecured short term borrowings	**14.90**	**8.18**
Total short term borrowings	**530.96**	**292.36**

A) Rupee loans from Banks referred to in A above to the extent of:

(i) (i) Rs. 260.51 Cr (Rs.70.85 Cr) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari pasu on inter se basis repayable in next one year and carry interest rate in the range of 10.40% p.a. to 12.75% p.a. Rs.16.43 Cr (Rs.0.27 Cr) is also secured by second charge on fixed assets of Calcom Cement India Limited ("CCIL") and pledge of the shares of CCIL held by erstwhile promoters of CCIL and corporate guarantee of two subsidiaries of CCIL and personal guarantee of one director and two former directors of CCIL..

(ii) ₹114.96 Cr (Nil) are secured by way of pledge of Mutual Fund Units repayable in less than one year and carrying interest rate @ 10% p.a.

B) Foreign Currency Loans from Banks referred to in B above to the extent of:

(i) ₹119.92 Cr. (Nil) are secured by Letter of Undertaking issued by consortium bankers on the security of hypothecation of inventories and other assets in their favor ranking pari pasu on inter se basis repayable in less than one year and carry interest rate at LIBOR Plus 0.31% to 0.38% (presently 0.50855% p.a to 0.6144% p.a.)

(ii) ₹ 20.67 Cr (₹213.33 Cr) are secured by way of pledge of Mutual Fund Units repayable in less than one year and carrying interest rate at LIBOR Plus 0.45% (Presently 0.6833% p.a.)

C) Fixed deposit referred to in C above to the extent of:
₹0.70 Cr (₹ 0.77Cr) are repayable in next 1 month to 1 year with interest rate @ 9.25%.

D) Loan from Others referred to in D above are payable within next 6 months to 1 year and carry interest @ 18% p.a.

9. Trade payables

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Micro & Small Enterprises	0.05	0.06
Others	378.89	341.04
	378.94	**341.10**

10. Other current liabilities

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Current maturities of long term borrowings	191.41	145.22
Current maturities of finance lease obligations	0.20	3.08
Interest accrued but not due on borrowings	12.68	12.26
Interest accrued and due on borrowings	2.12	0.73
Advances from customers	19.84	17.10
Security deposit received	12.17	13.30
Capital Creditors	80.79	31.80
Directors' Commission payable	0.28	0.78
Unclaimed Fixed Deposits and interest theron*	0.09	0.10
Unclaimed Dividend*	0.81	0.47
Purchase Consideration payable	30.00	30.00
Other liabilities		
- Statutory dues	67.63	88.85
- Others	13.85	20.22
	431.87	**363.91**

* Not due for deposit in Investor Education & Protection Fund

11. Short term provisions

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Provision for tax (net of advance tax ₹6.03 Cr (₹ 6.03 Cr))	6.16	5.65
Provision for employee benefits	5.55	4.13
Proposed Dividend on equity shares	16.24	16.24
Dividend Distribution Tax	2.76	2.76
Other Provisions	-	9.57
	30.71	**38.35**

12. Fixed Assets

(₹ Crore)

	Tangible								
	Own Assets								
	Land (Free hold)	Land (Lease hold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Mines Develo-pment	Total
Cost									
At 1st April,2012	434.87	1.74	268.42	2,703.27	5.59	10.34	21.73	—	3,445.96
Additions on acquistions	27.17	24.68	85.40	847.23	1.98	5.69	5.81	51.51	1,049.47
Addition during the year	44.63		19.05	81.78	0.55	2.03	4.71	14.11	166.86
Less: Disposals during the year	21.46	—	2.96	10.29	0.35	0.57	0.11	—	35.74
As at 31st March,2013	**485.21**	**26.42**	**369.91**	**3,621.99**	**7.77**	**17.49**	**32.14**	**65.62**	**4,626.55**
Additions on amalgamation	92.23	—	—	—	—	—	—	—	92.23
Additions during the year	25.27	—	5.76	102.87	3.20	2.95	5.41	0.28	145.74
Less: Disposals during the year	0.73	—	0.80	2.19	0.05	0.92	0.16	—	4.85
Other adjustments - Exch diff	—	—	—	8.61	—	—	—		8.61
As at 31st March,2014	**601.98**	**26.42**	**374.87**	**3,731.28**	**10.92**	**19.52**	**37.39**	**65.90**	**4,868.28**
Depreciation/ Amortization									
As at 1st April,2012	—	1.22	18.04	290.70	2.32	2.75	7.68		322.71
Additions on acquisition	—	4.46	9.54	140.42	1.03	2.62	3.17	4.64	165.88
Charge for the year @	—	0.42	8.29	165.58	0.41	1.52	3.35	1.36	180.93
Less: on Disposals			1.07	4.89	0.10	0.42	0.03		6.51
As at 31st March,2013	**—**	**6.10**	**34.80**	**591.81**	**3.66**	**6.47**	**14.17**	**6.00**	**663.01**
Additions on amalgamation	—	—	—	—	—	—	—	—	—
Charge for the year @	—	1.15	10.99	193.87	0.56	1.60	4.93	7.37	220.47
Less: on Disposals	—	—	0.43	0.36	0.05	0.39	0.16	—	1.39
As at 31st March,2014	**—**	**7.25**	**45.36**	**785.32**	**4.17**	**7.68**	**18.94**	**13.37**	**882.09**
Net Block									
As at 31st March,2013	**485.21**	**20.32**	**335.11**	**3,030.18**	**4.11**	**11.02**	**17.97**	**59.62**	**3,963.54**
As at 31st March,2014	**601.98**	**19.17**	**329.51**	**2,945.96**	**6.75**	**11.84**	**18.45**	**52.53**	**3,986.19**

(₹ Crore)

	Owned Assets Leased out						Intangible			Grand Total
	Land	Buildings	Plant and equip-ment	Furniture and Fixtures	Other Assets	Total	Computer Software	Branding	Total	
Cost										
As at 1st April,2012	2.30	12.16	333.07	0.08	0.03	3,793.60	5.18	—	5.18	3,798.78
Additions on acquistions					—	1,049.47	1.47	14.66	16.13	1,065.60
Additions during the year		0.04	0.14			167.04	2.41		2.40	169.44
Less: Disposals during the year	—	—	0.16	—	—	35.90			—	35.90
As at 31st March,2013	**2.30**	**12.20**	**333.05**	**0.08**	**0.03**	**4,974.21**	**9.06**	**14.66**	**23.71**	**4,997.92**
Additions on amalgamation	—	—	—	—	—	92.23	—	—	—	92.23
Additions during the year	—	1.06	0.78	0.01	0.01	147.60	4.09	—	4.09	151.69
Less: Disposals during the year	—	—	0.37	—	—	5.22	0.63	—	0.63	5.85
Other adjustments - Exch diff	—	—	—	—	—	8.61	—	—	—	8.61
As at 31st March,2014	**2.30**	**13.26**	**333.46**	**0.09**	**0.04**	**5,217.43**	**12.52**	**14.66**	**27.17**	**5,244.60**
Depreciation/ Amortization										
As at 1st April,2012	—	0.80	39.06	0.01	—	362.58	3.33	—	3.33	365.91
Additions on acquistions	—	—	—	—	—	165.88	0.91	8.03	8.93	174.81
Charge for the year	—	0.40	19.65	0.01	—	200.99	2.36	3.47	5.83	206.82
Less: on Disposals	—	—	—	—	—	6.51	—	—	—	6.51
As at 31st March,2013	**—**	**1.20**	**58.71**	**0.02**	**—**	**722.94**	**6.60**	**11.50**	**18.09**	**741.03**
Additions on amalgamation	—	—	—	—	—	—				—
Charge for the year @	—	0.40	19.69	—	—	240.56	1.95	3.16	5.11	245.67
Less: on Disposals	—	—	—	—	—	1.39	0.12	—	0.12	1.51
As at 31st March,2014	**—**	**1.60**	**78.40**	**0.02**	**—**	**962.11**	**8.43**	**14.66**	**23.08**	**985.19**
Net Block						—				
As at 31st March,2013	**2.30**	**11.00**	**274.34**	**0.06**	**0.03**	**4,251.27**	**2.46**	**3.16**	**5.62**	**4,256.89**
As at 31st March,2014	**2.30**	**11.66**	**255.06**	**0.07**	**0.04**	**4,255.32**	**4.09**	**—**	**4.09**	**4,259.41**

Notes:

@ Includes depreciation charged to other heads ₹3.52 Cr (₹0.88 Cr)

Registration of leasehold land at Umrangshu amounting to ₹3.79 Cr (₹ 3.79 Cr) and freehold land of ₹37.22 Cr (₹1.62 Cr) in the Group's name is pending.

13. Non-current Investments

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
Trade Investments				
Equity Shares				
In Associates				
27,312,107 (25,814,904) Shares of ₹2/- each fully paid up in OCL India Limited		576.15		514.66
Others				
Equity Shares (Quoted)				
14,829,764 (14,829,764) Equity Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		28.94
Others		0.02		0.01
Equity Shares (Unquoted)	2.26		2.26	
Less: Provision for diminution in value of investments	1.76	0.50	1.76	0.50
5,900 (5,900) zero coupon optionally redeemable convertible debentures of ₹ 1,00,000/- each in Saroj Sunrise Pvt. Ltd. (Refer Note 48)		59.00		59.00
Other Investments				
Units of Mutual Funds (Quoted)				
Debt based schemes		4.33		5.28
Equity based schemes		0.06		0.06
Tax Free Bonds (Quoted)		0.50		0.50
Units of Urban Infrastructure Opportunities Fund (Unquoted)				
1,188 (1,188) Units of ₹ 86,750/- (₹87500/-) each fully paid up in Urban Infrastructure Opportunities Fund		10.46		10.55
Total		**679.96**		**619.50**
Quoted (including Mutual Funds):				
Book Value		610.00		549.45
Market Value		533.06		397.76
Book Value of Unquoted Investments		69.96		70.05
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 2014		As at March 31 2013	
Capital advances		132.44		171.75
Security deposit made				
- Related Parties	1.25		1.25	
- Others	32.93	34.18	25.79	27.04
Loans and advances to:				
Employees@		1.15		1.92
Others		29.70		34.62
Advance for Purchase of Investments		—		81.29
Advances recoverable in cash or in kind or for value to be received		0.20		0.51
Considered good				
Considered doubtful	5.01		3.80	
Less: Provision for Doubtful advances	5.01	—	3.80	—
Incentives receivable		96.12		55.66
Subsidy receivable	5.54		201.38	
Less: Provision for Doubtful recovery	5.54	—	22.49	178.89
MAT credit entitlement		3.29		3.69
Advance Income Tax (Net of Provision for Tax ₹38.11 Cr (₹ 175.12 Cr))		35.05		25.64
Deposit and Balances with Government Departments and Other Authorities		86.62		25.38
		418.75		**606.39**
@includes				
Due form officers of the Company		1.15		1.92

15. Other Non Current Assets

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Deposits with Original maturity of more than 12 months	4.25	2.82
	4.25	2.82

* includes ₹4.25 Cr (₹1.80 Cr) pledged with various Government authorities/ institutions.

16. Current Investments

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
Non Trade				
Equity Shares (Quoted)	18.72		20.42	
Less: Provision for diminution in value of investment	—	18.72	4.24	16.18
Units of Mutual Funds (Quoted)				
Debt based schemes		534.94		544.67
Total		**553.66**		**560.85**
Quoted				
Book Value		553.66		560.85
Market Value		585.23		606.32
Aggregate Provision for diminution in value of Investment		-		4.24

17. Inventories

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Raw Materials		
On hand	25.64	22.49
In transit	0.15	0.95
Work in Progress	37.35	30.57
Finished Goods		
On hand	42.88	62.90
In transit	1.27	5.61
Stores, Spares etc		
On hand	220.03	225.03
In transit	3.79	4.42
	331.11	**351.97**

18. Trade Receivables

(₹ Crore)

		As at March 31 2014		As at March 31 2013	
a) Receivables outstanding for a period exceeding six months from the date they are due for payment					
Considered good					
Secured			1.13		1.21
Unsecured			21.87		16.80
Considered doubtful		41.19		41.57	
Less: Provision for Bad and Doubtful receivables		41.19	—	41.57	—
	(A)		**23.00**		**18.01**
b) Other receivables					
Considered good					
Secured			78.37		69.61
Unsecured			248.63		224.31
Considered doubtful		0.60		7.08	
Less: Provision for Bad and Doubtful receivables		0.60	—	7.08	—
	(B)		**327.00**		**293.92**
Trade Receivables	**(A+B)**		**350.00**		**311.93**
Less: Provision for Rebate / Discount			71.81		54.72
			278.19		**257.21**

19. Cash and cash equivalents

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Cash on hand	0.16	0.36
Cheques in Hand	0.15	13.27
Balances with Scheduled Banks :		
- On current accounts	57.67	64.03
- On deposit accounts *	23.46	21.59
- Unpaid Dividend accounts	0.81	0.47
Other bank balances:		
- Margin money (pledged with bank against bank guarantee)	2.14	0.21
	84.39	**99.93**

* includes ₹3.42 Cr (₹ 0.78 Cr) pledged with various Government authorities/ institutions.

20. Short term Loans and Advances

(₹ Crore)

	As at March 31 2014		As at March 31 2013	
Secured				
Loan to Employees@		—		0.01
Unsecured Considered good				
Loan to				
- Employees@		1.59		2.36
- Related parties (Refer note 44)		66.00		64.00
- Others		40.00		40.00
Advances recoverable in cash or in kind or for value to be received				
Related parties (Refer note 44)		0.36		0.02
Others		77.89		39.75
Considered doubtful	63.83		59.96	
Less: Provision for Doubtful advances	63.83	—	59.96	—
Prepaid Expenses		6.01		8.18
Subsidy Receivable		177.62		99.68
Interest receivable		5.17		3.13
Deposit and Balances with Government Departments and Other Authorities		62.81		41.28
		437.45		**298.41**
@includes due form officers of the Company		1.59		2.37

21. Other Current Assets

(₹ Crore)

	As at March 31 2014	As at March 31 2013
Semi Finished Capital goods lying with foreign suppliers	—	3.76
Material held for disposal	0.17	0.03
Unamortised premium on forward contracts	1.64	0.87
	1.81	**4.66**

22. Revenue from operations

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Cement sales	3,091.78	2,948.24
Refractory goods sales	65.78	69.19
Management services	34.13	26.03
Power Sales	82.45	75.05
Other operating revenue	2.21	2.21
Sales Tax incentive/ VAT remission	42.65	18.97
Excise Refund	44.89	20.78
	3,363.89	**3,160.47**

23. Other Income

(₹ Crore)

	For the year ended March 31 2014		For the year ended March 31 2013	
Dividend income				
- from Non-Current Investments		0.37		0.01
- from Current Investments		4.17		11.27
Interest Income on Bank deposits & others		17.47		12.40
Profit on sale of Investments	40.73		18.19	
[including provision written back for diminution in value of investments ₹4.24 Cr (₹2.23 Cr)]				
Less: Loss on Sale of Investment [including provision for diminution in value of investments Nil (₹2.51 Cr)]	0.70	40.03	2.62	15.57
Exchange Fluctuation		—		0.03
Miscellaneous Receipts		58.48		37.66
		120.52		**76.94**

24. Cost of Raw materials consumed

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Class of product		
Limestone	138.69	140.67
Clinker	56.44	—
Gypsum	21.63	22.81
Fly ash	84.60	69.05
Bauxite	25.56	31.57
Others	44.02	37.16
	370.94	**301.26**

25. Change in inventories of finished goods and work in progress

(₹ Crore)

	For the year ended March 31 2014		For the year ended March 31 2013	
Finished Goods				
- Closing stock		44.16		68.51
- Opening stock	68.51		39.90	
Add: Additions on acquisition	—	68.51	11.19	51.09
		24.35		(17.42)
Work-in-Process				
- Closing stock		37.35		30.57
- Opening stock	30.57		37.44	
Add: Additions on acquisition	—	30.57	4.78	42.22
		(6.78)		11.65
(Increase) / Decrease		**17.57**		**(5.77)**

26. Employee benefits expense

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Salaries, Wages and Bonus	194.97	170.65
Contribution to Provident Fund and Other Funds	11.33	11.62
Workmen and Staff Welfare expenses	19.38	16.69
	225.68	**198.96**

27. Other Expenses

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Power and Fuel	773.16	751.06
Processing Charges	16.99	20.54
Packing Materials	134.40	115.87
Consumption of Stores and Spare Parts	19.21	15.72
Freight Charges	531.12	412.15
Repairs and Maintenance :		
- Plant & Machinery	83.69	58.48
- Buildings	3.78	4.11
Rent	8.74	4.84
Rates and Taxes	14.72	10.15
Insurance	3.42	3.27
Depot Expenses	74.71	58.26
Professional Charges	35.94	31.72
Advertisement and Publicity	51.11	33.53
Rebate and Discounts	21.61	32.74
Excise duty variation on opening/closing inventories	(0.25)	2.98
Foreign exchange fluctuation	11.52	0.54
Miscellaneous Expenses	140.68	104.89
	1,924.55	**1,660.85**

28. Finance Costs

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Interest		
- On term loans and debentures	252.80	168.96
- On short term borrowings	11.77	25.25
- Others	18.14	2.16
Other borrowing cost	8.84	31.18
Exchange differences to the extent considered as an adjustment to borrowing cost	23.59	3.88
	315.14	**231.43**

29. Earning Per Share

(₹ Crore)

	For the year ended March 31 2014	For the year ended March 31 2013
Net profit for calculation of basic and diluted EPS (₹ in Cr)	(8.42)	197.11
Total number of equity shares outstanding at the end of the year	81,189,303	81,189,303
Weighted average number of equity shares in calculating basic and diluted EPS	81,189,303	81,189,303
Basic and Diluted EPS (₹)	**(1.04)**	**24.28**

30. 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, 2014	Percentage of Ownership held as at March 31, 2013
Subsidiaries			
Dalmia Cement (Bharat) Limited (DCBL)	India	85.01%	85.01%
Kanika Investments 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)(Refer Note 50)	India	—	100%
Adhunik Cement Limited (ACL)	India	100%	77.50%
Calcom Cement India Limited (CCIL)	India	75.63%	75.63%
Dalmia Bharat Cement Holding Ltd (DBCHL)	India	100%	—
Shri Rangam Securitires & Holdings Limited (SRSHL)	India	100%	—
Golden Hills Resorts Private Limited (GHRPL)	India	100%	100%
Rajputana Properties Private Limited (RPPL)	India	100%	100%
Step Down subsidiaries of Dalmia Cement (Bharat) Limited			
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)	India	100%	100%
Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
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	48.00%	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

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

Parent Company

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
a)	Claims against the Company not acknowledged as debts	—	—

Subsidiaries

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
a)	Claims against the Company not acknowledged as debts	64.34	68.23
b)	Demand raised by following authorities in dispute:		
	Excise, Customs, Service tax, VAT and Sales tax	251.66	136.11
	Income tax matters	191.01	12.10
c)	Guarantees/Counter Guarantees given to banks on account of guarantees issued by the banks to Bodies Corporate	4.00	9.93
	Total	**511.01**	**226.37**

Joint Venture

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
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.

32. The Group's Subsidiary Dalmia Cement (Bharat) Limited has received summons from the Court of Principal Special Judge for CBI cases Hyderabad, under Section 120 (b) read with Section 420 of Indian Penal Code. The investigating agency has alleged that its Investment in Bharthi Cement and acquisition of Eswar Cements Private Limited were made for the benefit of an influential person in the State, prime accused in the case, as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh. However, both the investments made by Dalmia Bharat Sugar and Industries Limited were genuine investments as permitted under that Company's Memorandum and Articles of association and duly approved by the Board of Directors. The proceedings are still at the preliminary stage and in the opinion of the management, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

33. Capital and other Commitment

(₹ Crore)

Particulars		2013-14	2012-13
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	In respect of Parent	—	—
	In respect of Subsidiaries	343.06	593.47
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	58.52	69.52
c)	Export obligation on import of equipment's and spare parts under EPCG Scheme		
	In respect of Parent	—	—
	In respect of Subsidiaries	509.61	509.61
d)	Commitment towards forestry department as per the Forest (Conservation) Act , 1980		
	In respect of Parent	—	—
	In respect of Subsidiaries	31.60	—

34. Remuneration paid to auditors (included in Miscellaneous Expenses) :

Parent Company

(₹ Crore)

Particulars			2013-14	2012-13
Statutory auditors				
a)	as an auditor			
	i)	Statutory audit fee	0.04	0.05
	ii)	Tax audit fee	0.01	0.04
	iii)	Reimbursement of expenses	0.01	—

Subsidiaries Company

(₹ Crore)

Particulars			2013-14	2012-13
Statutory auditors				
a)	as an auditor			
	i)	Statutory audit fee	0.44	0.41
	ii)	Tax audit fee	0.03	0.03
	iii)	Limited review	0.35	0.20
In other capacity				
	i)	Company law matter	0.02	0.06
	ii)	Certification fee	0.01	0.04
Reimbursement of expenses			0.14	0.14
	Cost Auditor			
a)	Audit Fee		0.02	0.01
b)	For Expenses		—	—

35. 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.

36. 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	2013-14	2012-13
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
Dalmia Power Limited	0.06	0.06
Adhunik Cement Limited	250.21	186.40
Calcom Cement India Limited	213.90	213.90
Total	**469.00**	**405.22**

* merged during the year

37. 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	2013-14	2012-13
Lease payments for the year	19.19	10.68
Total	**19.19**	**10.68**

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.

There is no uncollectible minimum lease payments receivable at the balance sheet date.

(₹ Crore)

Future Minimum Lease Receipts	2013-14	2012-13
Not later than one year	2.38	2.21
Later than one year and not later than five years	1.26	2.10
Later than five years	0.69	—
Total	**4.33**	**4.31**

Assets given under Finance Lease

The group has given certain vehicles on finance leases.

Future Minimum Lease Payments (MLP) under finance leases together with present value of the net minimum lease payments are as follows:

	As at March 31, 2014 -MLP	As at March 31, 2014 Present Value of MLP	As at March 31, 2013 –MLP	As at March 31, 2013 Present Value of MLP
Within one year	0.80	0.77	0.76	0.67
After one year but not more than three years	—	—	0.44	0.43
More than three years	—	—	—	—
Total Minimum Lease Payments	0.80	0.77	1.20	1.10
Less : Amounts representing finance charges	(0.03)	—	(0.10)	—
Less : Provisions for doubtful advances	(0.70)	(0.70)	(0.17)	(0.17)
Present Value of Minimum Lease Payments	0.07	0.07	0.93	0.93

38. Particulars of Forward Contracts outstanding and Un-hedged Foreign Currency Exposure as at the Balance Sheet date:

Forward contract outstanding as at Balance Sheet date:

Particulars	Currency	Amount in Foreign Currency	Amount (₹ Cr.)	Purpose
Buy	Euro	- (434,400)	- (3.28)	To hedge the import creditors for Spare Parts.
Total	**Euro**	**-** **(434,400)**	**-** **(3.28)**	
Buy	USD	17,389,535 (11,721,094)	104.20 (66.66)	To hedge the repayment of principal and interest foreign currency loans.
Total	**USD**	**17,389,535** **(11,721,094)**	**104.20** **(66.66)**	

Particulars of unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (₹ Cr.)
Foreign currency loans and interest thereon	USD 46,841,108 (USD 59,354,017) (Closing rate USD ₹59.92 (₹54.355))	280.68 (322.70)
Trade Payables	USD 2,78,842 (USD 70,100) (Closing rate USD ₹59.92 (₹54.355))	1.67 (0.38)
Raw Materials Purchase Contract	USD 882,381 (USD 1,441,547) (Closing rate USD ₹59.92 (₹54.355))	5.29 (7.91)
Payables for Capital Goods	EURO NIL (EURO 868,357) (Closing rate ₹82.745 (₹70.51))	— (6.12)
Payables for Purchase of Spare Parts	EURO 24,244 (EURO 2,262) (Closing rate ₹82.745 (₹70.51))	0.20 (0.02)
Trade Receivables for Export Sales	USD 643,589 (USD 37,957) (Closing rate ₹59.92 (₹54.355))	3.86 (0.21)

39. 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 insurance company in the form of a qualifying insurance policy. In some of the subsidiaries, there is unfunded benefit Gratuity Plan.

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 summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized 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)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	2.57	3.28	1.32	1.11
Interest cost on benefit obligation	1.59	1.19	0.60	0.65
Expected return on plan assets	(1.72)	(1.38)	0.61	(0.65)
Net actuarial (gain)/ Loss recognized in the year	(0.64)	1.40	(0.03)	0.06
Net Benefit Expense	1.81	4.49	1.28	1.17
Actual return on plan assets	1.56	1.35	—	—

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Present value of defined benefit obligation as at year-end	21.69	19.86	17.59	15.97
Fair value of plan assets as at year-end	20.99	18.29	17.41	15.95
Funded status {(Surplus/(Deficit)}	(0.70)	(1.57)	(0.18)	(0.05)
Net Asset/(Liability) as at year end	(0.70)	(1.57)	(0.18)	(0.05)

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening defined benefit obligation	19.86	13.65	16.00	15.09
Contribution by plan participation / employees		—	1.87	1.39
Acquisition adjustments		1.47		—
Current service cost	2.57	3.31	1.32	1.11
Interest Cost	1.58	1.17	1.31	1.28
Benefits paid out of funds	(1.57)	(1.11)	(2.93)	(2.86)
Actuarial (gains)/ losses on obligation	(0.75)	1.37	0.03	(0.04)
Settlements / Transfer in		—		0.02
Closing defined benefit obligation	**21.69**	**19.86**	**17.59**	**16.00**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening fair value of plan assets	18.29	14.72	15.95	15.01
Contribution by plan participation / employees		—		1.39
Expected return on plan assets	0.32	0.23	0.61	1.28
Actual return on plan assets	1.39	1.13		
Contribution by employer	2.55	3.00	1.32	1.11
Benefits paid	(1.44)	(0.78)	(2.94)	(2.86)
Actuarial gains/ (losses) on obligation	(0.12)	(0.01)	(0.14)	—
Settlements / Transfer in	—	—		0.02
Closing fair value of plan assets	**20.99**	**18.29**	**17.41**	**15.95**

The Group expects to contribute ₹3.71 Cr (4.26 Cr) to gratuity in 2014-15 and ₹0.79 Cr (₹ 0.70 Cr) to PF Trust.

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)	
	2013-14	2012-13	2013-14	2012-13
Qualifying Insurance Policy	99.60%	100%	—	—
Bank Balance	0.40%	—	—	—
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 defined benefit plans for the Group are shown below:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	8.00%	8.00%	9.00%	8.50%
Expected rate of return on assets	8.76 % to 8.85%	9.25% to 9.40%	—	—
Mortality Table	IALM (1994-96) duly modified	IALM (1994-96) duly modified	IALM (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)		
	2013-14	2012-13	2011-12	2010-11	2013-14	2012-13	2011-12
Defined benefit obligation	21.69	19.86	13.65	11.51	17.59	16.00	15.09
Plan assets	20.99	18.29	14.72	13.78	17.41	15.95	15.01
Surplus/ (deficit)	(0.70)	(1.57)	1.07	2.27	(0.18)	(0.05)	0.08
Experience adjustment on plan assets	(0.16)	(0.03)	0.02	0.96	—	—	—
Experience adjustment on plan liabilities	0.96	(1.67)	0.01	0.05	—	—	—

Provident and other funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2013-14	2012-13
Provident Fund/Superannuation fund/ ESI/ Pension Scheme	9.46	7.31

40. 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	2013-14	2012-13
Power incentive (netted from Power and Fuel in Note 27)	40.52	14.79
Sales tax incentive (Other income in Note 22)	10.46	9.36
Total	**50.98**	**24.15**

41. The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power& fuel and other accounts as under:

Expenses as mentioned above are debited to following expenses account:

(₹ Crore)

	2013-14	2012-13
Cost of raw materials consumed	8.17	20.08
Power and fuel	6.80	6.40
Repair and maintenance to Plant & Machinery	44.53	36.58
Depot expenses	6.40	5.41
Repair and maintenance to building	—	0.32
	65.90	**68.79**

These expenses if reclassified on 'nature of expense' basis as required by Schedule VI will be as follows

(₹ Crore)

	2013-14	2012-13
Consumption of stores and spare parts	50.22	54.89
Rent	6.39	5.84
Insurance	0.08	0.10
Salary and wages	4.75	3.95
Power charges	0.46	0.16
Operation and maintenance	4.00	3.85
	65.90	**68.79**

42. 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.

Dalmia Bharat Limited

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2014.

(₹ Crore)

Segment Particulars	Cement	Refractory	Management Services	Others	Total
Revenue					
Gross Revenue	3281.09 (3074.49)	77.61 (73.97)	152.47 (118.12)	33.89 (37.61)	**3545.06** (3304.19)
Less: Inter/ Intra Segment Revenue	19.32 (11.45)	11.83 (4.78)	118.34 (92.09)	31.68 (35.40)	**181.17** (143.72)
Less: Excise Duty	409.35 (369.85)	— (-)	— (-)	— (-)	409.35 (369.85)
Total Revenue	**2852.42** (2693.19)	**65.78** (69.19)	**34.13** (26.03)	**2.21** (2.21)	**2954.54** (2790.62)
Results					
Segment result	189.81 (423.48)	0.46 (-3.38)	30.10 (29.50)	9.82 (16.33)	230.19 (465.93)
Less: Finance Cost					315.14 (231.43)
Add: Other unallocable income net of unallocable expenditure					62.04 (39.25)
Profit/(Loss) Before Tax					(22.91) (273.75)
Tax expense					64.43 (133.58)
Share of profit in Associates					48.77 (72.29)
Less: Minority Interest					(30.15) (15.35)
Profit/(Loss) after tax					(8.42) (197.11)
Assets	**5630.10** (5493.14)	**38.39** (35.31)	**150.05** (165.63)	**295.04** (293.73)	**6113.58** (6001.13)
Non Segment assets					2642.25 (2013.00)
Total Assets					**8755.83** (8014.13)
Liabilities	**940.03** (641.79)	**20.69** (16.35)	**33.96** (35.21)	**11.50** (19.26)	**1006.18** (712.61)
Non Segment liabilities					4654.91 (4233.59)
Total Liabilities					**5661.09** (4946.20)
Depreciation	223.25 (185.12)	— (-)	2.33 (1.65)	20.09 (20.05)	245.67 (206.82)
Capital Expenditure	155.37 (165.70)	— (-)	3.08 (3.54)	1.85 (0.18)	160.30 (169.44)

43. During the year, the Group has incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same as pre-operative expenses under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

Subsidiaries

(₹ Crore)

Particulars	2013-14	2012-13
Brought forward to current year as part of Capital Work in Progress	**129.60**	**36.65**
Add: Additions on acquisitions	—	58.62
Expenditure incurred during the year		
Consumption of raw materials on trial production	3.14	—
Employee benefit expenses		
Salaries and Wages	13.19	6.49
Other Expenses		
Power and fuel	0.87	—
Consumption of Stores And Spares Parts	0.43	0.05
Packing materials consumed on trial production	0.16	—
Repairs and Maintenance	0.63	0.13
Rent	0.76	1.12
Rates and taxes	0.59	—
Insurance	0.84	0.70
Professional expenses	21.71	6.58
Travel expenses	1.11	0.36
Miscellaneous Expenses	19.52	3.24
Interest and Finance expense	76.23	15.65
Total expenses for the year	**139.18**	**34.32**
Less: Income		
Sales from trial production	3.51	
Interest on fixed deposits	2.49	0.17
Income on sale of investments	0.01	—
Depreciation /Amortization	1.47	0.18
Net expense for the year	**134.64**	**34.33**
Grand Total	**264.24**	**129.60**
Less: Capitalised during the year	8.50	—
Carried forward as part of Capital Work in Progress	**255.74**	**129.60**

Joint Venture

(₹ Crore)

Particulars	2013-14	2012-13
Brought forward to current year as part of Capital Work in Progress	**5.04**	**4.94**
Expenditure incurred during the year		
Employee benefit expenses		
Salaries and Wages	0.02	0.05
Other Expenses		
Travelling		
Miscellaneous Expenses	0.02	0.05
Total Expenditure during the year	**0.04**	**0.10**
Carried forward as part of Capital Work in Progress	**5.08**	**5.04**

44. 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 - Director, Shri Puneet Yadu Dalmia - Director

Relatives of 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.

a) **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	32.26	—	13.13	45.39
	(16.66)	(-)	(11.35)	(28.01)
Purchase of goods and services	18.17	—	54.73	72.90
	(11.62)	(-)	(56.86)	(68.48)
Reimbursement of expenses – Receivable	0.60	(-)	5.23	5.83
	(0.47)	(-)	(4.70)	(5.17)
Reimbursement of expenses - Payable	0.19	—	9.23	9.42
	(0.19)	(-)	(7.84)	(8.03)
Rent / Lease Rent Receipt	—	—	2.22	2.22
	(-)	(-)	(2.21)	(2.21)
Interest Received	—	—	10.32	10.32
	(-)	(-)	(3.03)	(3.03)
Interest paid	0.46	—	—	0.46
	(0.51)	(-)	(-)	(0.51)
Refund of Security deposit	—	—	6.66	6.66
	(-)	(-)	(6.66)	(6.66)
Loans and advances given	—	—	90.50	90.50
	(-)	(-)	(26.00)	(26.00)
Loans and advances received back	—	—	88.50	88.50
	(-)	(-)	(12.00)	(12.00)
Purchase of Fixed Assets	—	—	0.12	0.12
	(0.23)	(-)	(0.04)	(0.27)
Sale of Fixed Assets	0.30	—	—	0.30
	(4.41)	(-)	(-)	(4.41)
Dividend Income	3.87	—	—	3.87
	(11.62)	(-)	(-)	(11.62)
Sitting Fees	—	0.03	—	0.03
	(-)	(0.03)	(-)	(0.03)
Salary and Perquisites*	—	6.15	—	6.15
	(-)	(14.39)	(-)	(14.39)

(* 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 ₹32.26 Cr (Previous Year ₹ 16.66 Cr), Dalmia Bharat Sugar & Industries Limited ₹10.98 Cr (Previous Year ₹ 10.85 Cr)

2. Purchase of goods and services includes transaction with OCL Limited ₹18.17 Cr (Previous Year ₹11.62 Cr.), Keshav Power Limited ₹26.82 Cr (Previous Year ₹ 27.89 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹.20.62 Cr (Previous Year ₹ 23.70 Cr), Dalmia Bharat Sugar & Industries Ltd ₹7.29 Cr (Previous Year Nil)

3. Reimbursement of expenses – receivable includes transaction with Shri Nataraj Ceramic and Chemical Industries Limited ₹4.93 Cr (Previous Year ₹ 4.24 Cr), OCL India Ltd ₹0.60 Cr (Previous Year Nil), Dalmia Bharat Sugar & Industries Ltd ₹0.30 Cr (Previous Year Nil)
4. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Sugar & Industries Limited ₹0.08 Cr (Previous Year ₹ 0.11 Cr), Shri Nataraj Ceramic and Chemical Industries Limited ₹9.15 Cr (Previous Year ₹ 7.73 Cr)
5. Rent/Lease 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 ₹10.32 Cr (Previous Year ₹ 3.04 Cr).
7. Interest Paid includes transaction with OCL India Ltd ₹0.46 Cr (Previous Year ₹0.51 Cr)
8. Refund of Security deposit includes transaction with Keshav Power Ltd ₹6.66 Cr (Previous Year ₹6.66 Cr)
9. Loan and advances given includes transaction with Dalmia Bharat Sugar and Industries Limited ₹90.50 Cr (Previous Year ₹ 26.00 Cr).
10. Loan and advances received back includes transaction with Dalmia Bharat Sugar and Industries Limited ₹88.50 Cr (Previous Year ₹ 12.00 Cr)
11. Purchase of fixed assets includes transaction with OCL India Limited Nil (Previous Year ₹0.23 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.12 Cr (Previous Year ₹ 0.04 Cr).
12. Sale of Fixed Assets includes transaction with OCL India Limited ₹0.30 Cr (previous Year ₹4.41 Cr).
13. Dividend Income include transaction with OCL India Limited ₹3.87 Cr (Previous Year ₹ 11.62 Cr)
14. Sitting Fees includes transactions with Sh. Jai Hari Dalmia ₹0.01 Cr (Previous Year ₹ 0.01 Cr) Sh. Yadu Hari Dalmia ₹0.01 Cr (Previous Year ₹ 0.01 Cr), Sh.Gautam Dalmia ₹0.01 Cr (Previous Year ₹0.01 Cr), Sh.Puneet Dalmia ₹0.01 Cr (Previous Year ₹0.01 Cr)
15. Salary & Perquisites includes transaction with Sh.Yadu Hari Dalmia ₹0.48 Cr (Previous Year ₹0.48 Cr), Sh.Jai Hari Dalmia ₹1.60 Cr (Previous Year ₹0.44 Cr), Sh. Puneet Yadu Dalmia ₹2.04 Cr(Previous Year ₹6.69 Cr) Sh. Gautam Dalmia ₹.2.03 Cr (Previous Year ₹6.78 Cr.)

(c) Balances outstanding at year end:

(₹ Crore)

Nature of Transaction	Associate	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loan Receivable	—	—	66.00	66.00
	(-)	(-)	(64.00)	(64.00)
Amounts receivable	8.40	—	4.21	12.61
	(20.75)	(-)	(5.92)	(30.95)
Amounts payable	10.96	0.95	11.61	23.52
	(4.15)	(10.70)	(18.91)	(23.06)
Security deposit receivable	—	—	1.25	1.25
	(-)	(-)	(1.25)	(1.25)

1. Loan receivable includes Dalmia Bharat Sugar and Industries Limited ₹66.00 Cr (Previous Year ₹ 64.00 Cr).
2. Amount receivable includes OCL India Limited ₹8.40 Cr (Previous ₹ 20.75 Cr), Dalmia Bharat Sugar and Industries Limited ₹4.14 Cr (Previous Year ₹ 5.63 Cr), Shri Nataraj Ceramic and Chemical Industries Limited Nil (Previous Year ₹0.02 Cr)

3. Amount Payable includes Keshav Power Limited ₹8.46 Cr (Previous Year ₹ 14.38 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.36 Cr (Previous Year ₹ 0.65 Cr), OCL India Ltd ₹10.96 Cr (Previous Year Nil) Shri Nataraj Ceramic and Chemical Industries Limited ₹2.80 Cr (Previous Year ₹ 4.59 Cr), Sh Puneet Yadu Dalmia ₹0.46 Cr (Previous Year ₹ 5.35 Cr), Sh Gautam Dalmia ₹0.48 Cr (Previous Year ₹5.35 Cr.)

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

45. Details of the Group's share in Joint Ventures included in the Consolidated Financial Statement are as follows:

(₹ Crore)

Particulars	2013-14	2012-13
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
Short term provision	—	—
Total	**—**	**0.01**
APPLICATION OF ASSETS		
Non Current Assets		
Tangible Fixed Assets	0.61	0.61
Capital Work in Progress	5.08	5.04
Long Term loans and advances		
Total	**5.69**	**5.65**
Current Assets		
Cash & cash equivalents	0.32	0.37
Short term Loans & Advances	0.09	0.09
Other Current Assets	0.01	0.01
Total	**0.42**	**0.47**

46. Details of loans and advances 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 end of the year	Maximum amount outstanding during financial year	Outstanding amount as at end of the year	Maximum amount outstanding during financial year
	2013-14	2013-14	2012-13	2012-13
	—	—	—	—

47. Movement of long term provision during the year:

(₹ Crore)

Particulars	2013-14	2012-13
Opening Provision	8.31	2.21
Add : Provision during the year	0.92	6.10
Closing Provision	**9.23**	**8.31**

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.

48. In 2011-2012 the Group had initially acquired 14.59% stake in Calcom Cement India Limited (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a Company owned by the erstwhile promoters of Calcom) and the erstwhile promoters of Calcom. During the year 2012-13, revised agreements were entered in to increase the Group's nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with the Group, to be released at a future date upon satisfaction of certain conditions. The Group 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 15,449,292 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 Group has an option either to get the debentures redeemed for an aggregate amount of ₹ 59.00 Crore or convert into equity shares constituting 99.99% shareholding of SSPL.

Apart from the above investments, the Group has granted loans to Calcom to the extent of ₹ 111.65 Crores (excluding interest accrued and advance recoverable of ₹ 11.23 crore) as at March 31, 2014 to fund its ongoing Projects as well as losses.

Calcom has incurred losses of ₹ 27.66 crore during the year ended March 31, 2014 and has accumulated losses of ₹ 233.13 crore as at March 31, 2014. Keeping in view of its nature of long term strategic investment, no impairment has been considered for carrying cost of investments and loans/ receivables given to Calcom.

49. During the year 2012-13, the Group had 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 Group had initially acquired 77.50% shares and the balance 22.50% shares were held in escrow, with sellers being the beneficial owners, to be transferred to Group at a future date upon satisfaction of certain conditions. The Group had paid a total amount of ₹361.84 crore till 2012-13. On satisfaction of certain conditions, an additional consideration of ₹86.10 Crore was paid to the sellers of Adhunik to acquire balance 22.50% stake during the year, making it 100% Subsidiary Company.

Adhunik has incurred losses of ₹ 69.52 crore during the year ended March 31, 2014 and has accumulated losses of ₹ 286.30 crore as at March 31, 2014. However, keeping in view of strategic long term nature of investment, no diminution has been considered in carrying cost of investment in shares of Adhunik.

50. During the year, a Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 involving amalgamation of the wholly owned subsidiary, Dalmia Cement Ventures Ltd ('DCVL'), with other subsidiary, Dalmia Cement (Bharat) Limited ('DCBL'), was approved by the Hon'ble High Court of Delhi on September 5, 2013 and Hon'ble High Court of Judicature at Madras on November 13, 2013 with effect from appointed date of April 1, 2012. DCVL was in the process of setting up cement plants for its operations.

The amalgamation has been accounted for under the Purchase Method as prescribed under Accounting Standard 14 'Accounting for Amalgamations' notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment has been given as under:-

a) In accordance with the approved scheme, the authorized share capital of DCVL is added to the authorized share capital of the DCBL.

b) Entire business and all the assets and liabilities of DCVL as at April 1, 2012 have been transferred and recognized by the DCBL at their respective fair values as on appointed date.

c) As DCVL was a wholly owned subsidiary, the investment in 161,711,000 equity shares and 567,289,000 convertible warrants of DCVL stood cancelled and no separate consideration was paid by DCBL to the shareholders of DCVL.

d) Resultant net increase in fair value of assets and liabilities over cost of investment in DCVL has been transferred to Business Restructuring Reserve.

e) The details are as under:

Assets taken over (at fair value)	₹ 263.30 crore
Liabilities taken over (at fair value)	₹ 10.84 crore

	Debit Balance in Profit and Loss of DCVL as at April 1, 2012	₹ 252.46 crore
	Net Assets acquired at fair value	
f)	Less: Cost of Investment in DCVL	₹ 219.19 crore
g)	Less: Expenses on amalgamation	₹ 0.22 crore
h)	Transferred to Business Restructuring Reserve	₹ 33.05 crore

51. The Debt Restructuring package was approved by CDR Empowered Group of Reserve bank of India in one of its subsidiary Calcom Cement India Limited, as a result of which its loan repayment schedule was restructured to defer the repayment .Considering these facts as well as the business of its subsidiary and the commitment of Group to provide the requisite liquidity support to its subsidiary, the management is confident that it will be able to operate as going concern and accordingly the financial statement of its subsidiary is drawn under going concern assumption.

52. The group has been issued LOI for a limestone mining area in Chittorgarh district of Rajasthan by Government of Rajasthan for setting up the 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 crore .The mining lease deed has not yet been executed.

53. The Group, in joint venture with Sun Flag Iron & Steel Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29,2009 for development of coal mine and use of coal for captive mining.

Vide their letter dated January 6,2014, after a preliminary enquiry, the Government has de-allocated the said coal block allocated to the Joint Venture Company, Khappa Coal Company Private Limited ('KCCPL'), on the ground of alleged delays in the achievement of milestones mentioned in their allocation letter.

The Group disagrees with the assessment of the Government in this regard and believes that it is in substantial compliance of all milestones and no milestone completion is pending at its end.

The Group has made an investment of ₹ 1.84 crore in shares of KCCPL and given advance against share application money of ₹ 4.28 crore as at March 31, 2014. State Bank of India has also given a Bank Guarantee of ₹ 3.90 crore in favour of Ministry of Coal, against which the Company has issued a Deed of Guarantee of ₹ 4.00 crore in favour of State of Bank of India as a counter guarantee

The Group has filed a Writ Petition under Article 226 of the Constitution of India, before the Nagpur Bench of Bombay High Court for setting aside the Order of the Government in de-allocating the said coal block. The High Court vide their interim order dt. 16-1-14 has stayed the invocation of bank guarantee. The management is confident of resolution of the matter in its favour and no adjustments are considered necessary in the financial statements in this regard.

54. The Directors of the Company at its meeting held on 12th February,2014 have decided to discontinue the operations of Refractory Business, which is also a separate segment as per AS 17, Segment Reporting, w.e.f.31st March,14. The carrying amount of the total assets and liabilities of discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Total Assets	40.08	35.73
Total Liabilities	20.69	16.95
Net Assets	19.39	18.78

The net cash flows attributable to the discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Operating	(6.90)	3.05
Investing	0.32	—
Financing	6.20	(2.90)
Net cash inflows/ (outflows)	(0.38)	0.15

The amount of revenue and expenses in respect of discontinuing operations are as follows:

(₹ Crore)

	2013-14	2012-13
Net Sales/ Income from operations (net of excise duty)	77.61	73.97
Other Income	0.79	0.50
Total Expenses	77.61	77.84
Finance Cost	0.36	0.11
Profit before Tax	0.43	(3.48)
Tax Expenses	0.15	(1.18)
Profit after Tax	0.28	(2.30)

55. On March 24,2014, the Group has entered into Share Purchase Agreement with Jaiprakash Associate Limited (JAL) for acquisition of its 74% stake in Bokaro Jaypee Cement Ltd. No payments have been made during the year – which is expected to be made on getting requisite regulatory approvals and fulfilment of conditions precedent as prescribed in the said Share Purchase Agreement.

56. In the opinion of the management there is no reduction in value of any assets ,hence no provisions is required in terms Accounting Standard AS 28 "Impairment of Assets".

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

For **S. S. Kothari Mehta & Co.**
Chartered Accountants

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

Sunil Wahal
Partner
Membership No.: 087294

Y. H. Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Place : New Delhi
Date : May 15, 2014

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

STATEMENT ATTACHED TO BALANCE SHEET
as at March 31st, 2014 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	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014
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 31-3-2014 (Rs.)	(-) 7,02,90,740	(-) 2,17,035	(-) 64,579	1,67,675	(-) 46,523
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	233,90,20,398	6,69,860	(-) 12,85,069	4,69,725	83,159
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 31-3-2014 (Rs.)	11,82,50,000	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	15,75,29,694	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	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014
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	85.01%	85.01%	85.01%	85.01%	85.01%
4.	Company's interest in the share capital					
	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 31-3-2014 (Rs.)	(-) 52,326	(-) 28,559	(-) 21,802	(-)44,229	(-) 28,464
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	2,52,574	(-) 54,728	(-) 17,433	1,60,185	(-) 47,204
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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

STATEMENT ATTACHED TO BALANCE SHEET
as at March 31st, 2014 Pursuant to Section 212 of the Companies Act, 1956

Dalmia Bharat Limited

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	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014
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 31-3-2014 (Rs.)	70,146	(-) 57,407	(-) 6,041	(-) 34,991	(-) 46,644
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	(-) 3,59,09,707	3,027	3,11,876	81,393	(-) 27,638
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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

Subsidiary Companies		Sri Madhusudana Mines & Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited	DCB Power Ventures Limited
1.	Financial year ending	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014
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%	96.10%
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 31-3-2014 (Rs.)	(-) 28,500	(-) 15,352	(-) 40,551	(-) 11,468	12,03,28,175
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	1,44,521	36,502	Nil	Nil	19,35,31,403
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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

STATEMENT ATTACHED TO BALANCE SHEET
as at March 31st, 2014 Pursuant to Section 212 of the Companies Act, 1956

Subsidiary Companies		Sutnga Mines Private Limited	Cosmos Cements Limited	Adhunik Cement Limited
1.	Financial year ending	31-03-2014	31-03-2014	31-03-2014
2.	Date from which it became a subsidiary	01-04-2010	01-04-2010	28-09-2012
3.	Holding Company's interest in the share capital	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 31-3-2014 (Rs.)	(-)3,564	(-)67095	(-) 52,43,30,160
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	(-)3,46,436	(-)1,68,071	(-) 8,04,07,681
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 31-3-2014 (Rs.)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil

Subsidiary Companies		Adhunik MSP Cement (Assam) Limited	Calcom Cement India Limited	RCL Cements Limited
1.	Financial year ending	31-03-2014	31-03-2014	31-03-2014
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	85.01%	64.29%	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 31-3-2014 (Rs)	Nil	(-) 17,78,14,339	(-) 1,73,16,797
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	(-) 3,03,04,900	(-) 5,84,55,152
5.	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 31-3-2014 (Rs.)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil

Subsidiary Companies		SCL Cement Limited	Vinay Cement Limited
1.	Financial year ending	31-03-2014	31-03-2014
2.	Date from which it became a subsidiary	30-11-2012	30-11-2012
3.	Holding Company's interest in the share capital	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 31-3-2014 (Rs.)	(-) 2,08,31,755	(-) 12,39,12,365
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	(-) 76,22,150	(-) 6,74,36,399
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 31-3-2014 (Rs.)	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil

Place : New Delhi
Date : May 15, 2014

Y. H. Dalmia
Managing Director

Jai H. Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Nidhi Bisaria
Company Secretary

(₹ 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	264,533.00	398.76	(22.02)	37.66	50.57
Total Assets	645,672.00	440.94	760.20	64.65	989.66
Total Liabilities	355,847.00	0.18	732.22	1.99	914.09
Investments	129,248.00	440.52	37.00	-	50.56
Turnover/ Total Income	235,735.00	4.05	0.00	3.36	0.38
Profit/ (Loss) Before Taxation	3,234.00	(2.43)	(0.65)	2.45	(0.55)
Provision for Taxation	4,061.00	(0.26)	-	0.48	(0.00)
Profit/ (Loss) After Taxation	(827.00)	(2.17)	(0.65)	1.97	(0.55)
Proposed Dividend	-	-	-	-	-

(₹ in 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	1.67	(1.82)	3.05	0.67	2.47
Total Assets	7.15	5,005.43	8.53	836.53	532.87
Total Liabilities	0.48	5,002.25	0.48	830.86	525.40
Investments	-	1,250.18	-	-	-
Turnover/ Total Income	-	-	0.36	0.11	-
Profit/ (Loss) Before Taxation	(0.62)	(0.34)	(0.26)	(0.52)	(0.33)
Provision for Taxation	(0.00)	-	-	-	-
Profit/ (Loss) After Taxation	(0.62)	(0.34)	(0.26)	(0.52)	(0.33)
Proposed Dividend	-	-	-	-	-

STATEMENT ATTACHED TO BALANCE SHEET
as at March 31st, 2014

(₹ 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	(343.96)	29.30	39.69	16.14	10.82
Total Assets	102.84	681.31	649.28	263.58	612.92
Total Liabilities	441.80	627.01	604.59	242.44	597.10
Investments	49.50	42.29	-	-	-
Turnover/ Total Income	5.76	0.23	0.80	0.49	0.00
Profit/ (Loss) Before Taxation	1.75	(0.68)	(0.07)	(0.41)	(0.56)
Provision for Taxation	0.92	(0.00)	(0.00)	(0.00)	(0.01)
Profit/ (Loss) After Taxation	0.83	(0.68)	(0.07)	(0.41)	(0.55)
Proposed Dividend	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Sri Madhusudana Mines and Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited	DCB Power Ventures Limited
Capital	5.00	5.00	94.00	1.00	50.00
Reserves & Surplus	24.08	9.05	6.54	(0.13)	36,679.00
Total Assets	632.00	14.90	153.33	105.78	42,904.00
Total Liabilities	602.92	0.85	52.79	104.91	6,175.00
Investments	-	-	-	-	25.00
Turnover/ Total Income	0.54	0.68	-	-	4,339.00
Profit/ (Loss) Before Taxation	(0.33)	(0.19)	(0.50)	(0.14)	2,228.00
Provision for Taxation	0.00	(0.01)	(0.02)	(0.00)	976.00
Profit/ (Loss) After Taxation	(0.34)	(0.18)	(0.48)	(0.13)	1,252.00
Proposed Dividend	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Sutnga Mines Private Limited	Cosmos Cements Limited	Dalmia Bharat Cements Holdings Limited	Shri Rangam Securities & Holdings LImited	Adhunik Cement Limited
Capital	200.00	1,400.00	5.00	5.00	3,294.50
Reserves & Surplus	(3.43)	(23.98)	-	-	9,605.54
Total Assets	220.03	4,915.90	5.00	5.00	89,102.29
Total Liabilities	23.46	3,539.88	-	-	76,202.25
Investments	163.32	-	-	-	200.00
Turnover/ Total Income	23.54	0.01	-	-	43,748.93
Profit/ (Loss) Before Taxation	(0.04)	(0.79)	-	-	(6,952.19)
Provision for Taxation	-	-	-	-	-
Profit/ (Loss) After Taxation	(0.04)	(0.79)	-	-	(6,952.19)
Proposed Dividend	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Adhunik MSP Cement (Assam) Limited	Calcom Cement India Limited	RCL Cement Limited	SCL Cements Limited	Vinay Cement Limited
Capital	24.50	40,339.32	363.32	297.48	1,889.99
Reserves & Surplus	175.50	(23,313.34)	1,351.57	(1,481.81)	(6,165.64)
Total Assets	213.97	105,366.86	3,992.87	1,509.38	9,042.11
Total Liabilities	13.97	88,340.88	2,277.98	2,693.71	13,317.76
Investments	-	7,276.31	3,106.84	-	5,312.38
Turnover/ Total Income	-	19,167.70	202.26	225.91	1,784.70
Profit/ (Loss) Before Taxation	-	(2,765.82)	(245.09)	(324.03)	(1,956.57)
Provision for Taxation	-	-	24.26	-	26.35
Profit/ (Loss) After Taxation	-	(2,765.82)	(269.35)	(324.03)	(1,982.92)
Proposed Dividend	-	-	-	-	-

The Directors have pleasure in presenting the Eighteenth Annual Report and Audited Statements of Account of the Company for the year ended March 31, 2014.

Financial Results

(₹ Crore)

	2013-14	2012-13
Net Sales Turnover	**2268.07**	**2439.39**
Profit before interest, depreciation and tax (EBITDA)	411.74	624.11
Less: Finance Cost	**217.72**	**196.31**
Profit before depreciation and tax (PBDT)	194.02	427.80
Less: Depreciation	161.40	158.89
Less: Exceptional items	-0.28	-
Profit before tax (PBT)	**32.34**	**268.91**
Provision for current tax	11.95	82.30
Provision for deferred tax	23.75	35.53
Prior year tax charge (written back)	4.91	-5.85
Profit/(Loss) after tax (PAT)	**-8.27**	**156.93**
Add: (i) Surplus brought forward	252.51	129.15
Profit available for appropriation	**244.24**	**286.08**
Appropriations:		
General Reserve	-	-
Debenture Redemption Reserve (net)	14.17	17.29
Proposed Dividend	-	13.91
Dividend Distribution tax thereon	-	2.37
Balance carried forward	230.07	252.51
	244.24	**286.08**

Dividend

In view of losses, your Directors have decided to not to recommend any dividend for the current financial year.

Economic Scenario and Outlook

In the recent past, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic progress. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth appears to have reversed. The growth slowdown in India is broadly in line with trends in similar emerging economies. The sharp downturn in growth is owing to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies.

As per the index of industrial production (IIP), industrial output growth rate was (-) 0.2 per cent during April-November 2013 as compared to 0.9 per cent during the same period of the previous year. The contraction in the growth during current year was largely because of decline in mining sector, capital goods, and consumer goods. Manufacturing, the dominant sector in industry, witnessed contraction of 0.6 per cent during April-November 2013 as compared to a growth of 0.9 per cent in the corresponding period of the previous year.

The reasons for sluggishness in manufacturing are multiple. The rise in the policy rates, necessitated by the need to contain inflation, coupled with the bottlenecks facing large projects took toll on investments. The growth rate of gross fixed capital formation (GFCF) has been on the decline from around Q1 2010-11. Further, Indian manufacturing has not moved up the value chain over time. Due to low level of investment in research and development (R&D), India has not seized the growing opportunities available in high and medium technology sectors in the global market such as chemicals, machinery & equipment, electronic goods, etc.

The World Economic Outlook (WEO) update released by the International Monetary Fund in January 2014 has revised the growth projection for the world economy slightly upwards to 3.7 per cent for 2014. From 2014 onwards, global growth prospects are projected to improve over the medium term at a gradual pace. In India, several reform measures have been undertaken including clearance of several large projects by the Cabinet Committee on Investment. These steps could help in revival of investment and growth in the economy. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2014-15 vis-à-vis 2013-14.

Cement Industry Developments and Outlook

The cement industry has been expanding on the back of increasing infrastructure activities and demand from housing sector over the past many years. However, the current scenario of Indian economy is gloomy, thus many construction projects in housing and infrastructure sector have postponed, which has impacted cement demand. The Indian Government is taking every possible initiative to revive the economy, due to which it is expected that the cement demand will start resuming in 2014-15. According to a recent report by RNCOS, the cement demand is anticipated to increase at a CAGR of more than 8% during 2014-15 to 2015-16.

India has the capacity to become the world's third largest construction market by 2025 and a US$ 1 trillion market, according to a study by Global Construction Perspectives and Oxford Economics.

Cement production in India is expected to touch 407 million tonnes (MT) by 2020.

The performance of the Company during the last three years is:

	2013-14	2012-13	2011-12
CEMENT DIVISION ('000 MT)			
Clinker Production	**4536**	**4450**	4288
Cement Production	**5528**	**5659**	5380
Cement Sales and Self Consumption	**5558**	**5600**	5392

Investment in Bokaro Jaypee Cement Limited

During the year, your Company has signed definitive agreements to acquire by itself or through its nominees 74% stake from Jaiprakash Associates Limited (JAL) in Bokaro Jaypee Cement Limited (BoJCL), a joint venture between Jaiprakash Associates Limited (JAL) and Steel Authority of India Limited (SAIL). BoJCL is a 2.1 million tonnes per annum (MTPA) cement unit located at Bokaro, Jharkhand. It has a 30-year long term clinker supply arrangement with JAL and 30-year slag supply arrangement with SAIL. With this acquisition, DCBL's current installed cement capacity (including subsidiaries and associates) will reach 20 MTPA.

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.

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 – A.

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.

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 Madhusudana Mines and Properties Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Adhunik Cement Limited and its ultimate Subsidiaries Cosmos Cements Limited, Sutnga Mines Private Limited, Vinay Cement Limited RCL Cements Limited, SCL Cements Limited, and Adhunik MSP Cement (Assam) Limited for the year ended 31st March 2014 are attached.

During the year, Dalmia Cement Ventures Limited, a subsidiary of the Company was amalgamated with it vide orders of the Madras high Court dated 13-11-2013.

The Company also floated two new subsidiary Companies, namely, Dalmia Bharat Cements Holdings Limited and Shri Rangam Securities & Holdings Limited in the month of March 2014. The first accounting year of the said Companies will end on 31-3-2015 in accordance with the provisions of section 2(41) of the Companies Act, 2013. The accounts for the year ended 31-3-2014 have accordingly not been prepared.

Fixed Deposits

The total amount of deposits remaining due for payment and not claimed by the depositors as on 31st March 2014 was ₹ 0.07 crores in respect of 11 depositors. Since the close of the year 5 depositors have requested for renewal/encashment of their deposits aggregating to ₹ 0.04 crores.

Directors

Mr. Asanka Rodrigo has resigned as Director of the Company with effect from 14-5-2014.

Mr. Paul Heinz Hugentobler has been appointed as Additional Director of the Company pursuant to section 149(4) of the Companies Act, 2013. He has given his declaration of independence and the Board therefore recommends his appointment as an Independent Director at the ensuing Annual General Meeting. All the other Independent Directors, namely Mr. Rajeev Gupta, Mr. G.N. Bajpai, Mr. N. Gopalaswamy are to be appointed for a term of 5 years by the shareholders at the forthcoming Annual General Meeting in terms of section 149 of the Companies Act, 2013. The above named Directors have submitted a declaration that they satisfy the conditions of independence as laid down in section 149(6) of the Act. The above named Directors have further confirmed that they are not disqualified from being appointed/re-appointed as Directors of the Company in terms of the provisions of Section 164(2) in Form DIR 8 of the Companies Act, 2013.

Mr. Sanjay Nayar, Director, retires by rotation at the forthcoming General Meeting of the Company and offers himself for re-appointment. He has further confirmed that he is not disqualified from being re-appointed as Directors of the Company in terms of the provisions of Section 164(2) in Form DIR 8 of the Companies Act, 2013

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. They were first appointed as Statutory Auditors for audit of the accounts for the year ended 31-3-2011 and hence have held the office for a period of 4 years and are eligible for re-appointment for a period of one year initially as per section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014 and thereafter their appointment can be renewed for a further period of five years. The Company has obtained from each of them a letter to the effect that they satisfy the criteria as prescribed in section 141 of the Companies Act, 2013 and 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 and power generation units for the year ended 31-3-2013, and they have submitted the Cost Audit Reports for the said year on 5-8-2013. The said firm had been re-appointed as Cost Auditors to conduct cost audit of the cement manufacturing units and power generation units for the year ended 31-3-2014 and their report will be submitted within the time permitted under the law. The Board has again re-appointed them as Cost Auditors to conduct the Cost Audit for the year to end on 31st March, 2015 and have approached the Shareholders to approve their remuneration in terms of section 148(10) of the Companies Act, 2013.

General

The above Directors' Report has been prepared as per the guidelines given in the General Circular number 08/2014 dated 4-4-2014.

For and on behalf of the Board

Place : New Delhi
Dated: May 14, 2014

G.N. Bajpai
CHAIRMAN

Dalmia Bharat Cement

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) Increased use of Lignite in Power Plant

(ii) Increased use of Petroleum Coke.

(iii) Reduced use of High Speed Diesel for Cement Mill

(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: ₹ 451.42 crores (ii) Earned: ₹ 25.66 crores

FORM 'A'

(Form of Disclosure of Particulars with respect to Conservation of Energy)

	2013-14	2012-13
A. Power and Fuel Consumption		
1. Electricity:		
a) Purchased:		
Units (KWH in million)	111.94	101.41
Total Amount (₹ crores)	48.93	46.53
Rate/Unit (₹)	4.36	4.59
b) Own Generation:		
i) Through Captive Thermal Power Plant #		
Units (KWH in million)	296.20	317.68
Total Amount (₹ crores)	180.45	206.54
Rate/Unit (₹)	6.09	6.50
ii) Through Diesel Generator:		
Units (KWH in million)	0.05	0.88
KWH per Litre of HSD/FO	2.89	3.59
Rate/Unit (₹)	17.53	14.40
2. Coal/Petcoke/Others Used in Kiln		
Quantity ('000 MT)	525.15^	526.56^
Total Cost (₹ crores)	387.26^	398.86^
Average Rate (₹ / MT)	7368	7575
3. Furnace Oil Including (LSHS & HSD)		
Quantity (KL)	883	1294
Total Amount (₹ crores)	4.02	6.54
Average Rate (₹ / KL)	45509	50521

Note: # Includes cost of coal ₹ 108.95 crores (previous year ₹ 131.79 crores)
^ 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)		72	74
Furnace Oil (including LSHS) (Litres/MT)		0.16	0.19
Coal used for clinker (Kgs. / MT)		107	109

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) Modification in Feed Pump suction line to avoid CPP break down.

(b) Water conservation initiative by use of air flap system in place of water FLS cooler.

(c) Usage of Coal fired raw meal HAG for Cement Mill.

2. Benefits derived as a result of the above R & D:

(a) Failure of Feed Pump and stoppage of CPP avoided.

(b) Saving of 400m3 of water savings per day.

(c) Reduction in consumption of HSD Oil.

3. Future plans of action:

(a) Installation of alternate fuel system to use municipal waste and other Alternate Fuels and Raw Materials to reduce fuel cost.

(b) Redesign of raw mix to use high ferrous limestone rejects to extend mines life.

4. Expenditure on R & D:

(₹ crores)

(a)	Capital	—
(b)	Recurring	1.98
(c)	Contribution/Expenditure on Research and Development	—
	Total	1.98
(d)	Total R&D Expenditure as a percentage of turnover	0.1%
	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.

   Lignite drying to reduce moisture.

   Feeding system for alternate fuel and raw materials.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:

   Higher usage of alternate fuels and raw materials resulting in reduced fuel costs.

   Reduction in auxiliary power consumption in CPP.

   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, 2014, 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 notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. 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 control 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 Companies Act, 1956 ("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, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

(e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

per **Manoj Gupta**
Partner
Membership Number: 83906

Place of Signature: Gurgaon
Date: May 14, 2014

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
ICAI Firm Registration Number: 00756N

per **Arun K. Tulsian**
Partner
Membership Number: 89907

Place of Signature: New Delhi
Date: May 14, 2014

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 shave 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) The Company has granted loan to three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 62.65 crore and the year-end balance of loans granted to such parties was Rs. 15.97crores.

(b) The Company has made interest-free loans to certain wholly-owned subsidiaries. According to the information and explanations given to us, and having regard to management's representation that the interest free loans are given to wholly-owned subsidiaries of the Company in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(c) The loans granted are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The loans given are interest free.

(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) 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 Companies Act, 1956. The maximum amount involved during the year is Rs. 0.25 crore and the year-end balance of loans taken from such parties is Rs. 0.23 crore.

(f) 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.

(g) 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 Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at 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 Companies Act, 1956, 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 Companies Act, 1956, 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.

(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 ₹ (crore)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Demand of custom duty and countervailing duty for Coal imported at Karaikkal Port disputing the classification from steam coal as claimed by the Company to bituminous coal	42.41	April 2012 to December 2012	Custom Excise and Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Demand of Service Tax on freight expenses differential between service tax return and books of accounts	5.64	April 2007 to October 2012	Custom Excise & Service Tax Appellate Tribunal, Chennai
	Demand of penalty and interest on delay in payment of service tax	1.01	June 2005 to December 2005	Custom Excise & Service Tax Appellate Tribunal, Chennai
	Short payment of Service Tax	0.03	April 2006 to March 2007	Commissioner, Tiruchirappalli
Kerala Value Added Tax Act, 2003	Demand for incorrect turnover reported (Stock Transfer) as per return, omissions and refill shortages	7.36	April 2008 to March 2010	Assistant Commissioner, Ernakulum
	Demand for sales tax on freight as Company deducted freight while computing sales tax	1.71	April 2013 to August 2013	Assistant Commissioner, Ernakulum
	Non furnishing of closing stock statement, non-filing of separate profit and loss account under VAT	1.49	August 2007	Deputy Commissioner (Appeal), Ernakulum
	Demand for probable omission and suppression of facts, refill shortages, based on stock valuation	0.27	April 2006 to March 2007	Deputy Commissioner (Appeal), Ernakulum
	Incorrect VAT Credit availed	0.21	April 2006 to March 2007	Joint Commissioner, Ernakulum

Name of the statute	Nature of dues	Amount ₹ (crore)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Value Added Tax Act 2006	Demand of VAT on Cement Cess, BIS Marking Fee and shortfall in the Input tax credit reversal	1.31	April 2010 to March 2011	Appellate Deputy Commissioner (Commercial Taxes), Tiruchirappalli
	Denial of concessional rate benefit on certain items purchased through Form XVII	0.68	April 1995 to March 2000	Sales Tax Appellate Tribunal, Madurai
Tamil Nadu General Sales Tax Act, 1959	Demand for sales tax on packing charges	0.6	April 1975 to March 1978, April 1983 to March 1984	Commercial Tax Officer, Lalgudi
The Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001	Entry tax on bags purchased for other states	0.20	April 2005 to March 2006	Supreme Court
	Entry Tax on TMT Bars purchased for captive power plant and Expansion Project	0.26	April 2004 to May 2004	Supreme Court
Income Tax Act, 1961	Disallowance on account of the unaccounted cash, overpricing of purchases, unexplained expenditure and Section 14A disallowances	234.64	2005-06 to 2011-12	Commissioner of Income Tax (Appeals), New Delhi
Central Excise Act,1944	Denial of cenvat credit on cement and steel used in the construction of factory, civil structure, foundation etc.	25.77	July 2008 to March 2010	Custom Excise & Service Tax Appellate Tribunal
		5.86	September 2004 to April 2006	Custom Excise & Service Tax Appellate Tribunal
		0.13	2007-08	Commissioner, Tiruchirappalli
	Differential amount of excise duty disallowing concessional rate of duty on non -trade bulk sale	13.25	May 2007 to October 2008	Supreme Court
	Denial of cenvat credit on capital goods, inputs and input services availed in setting up captive power plant	7.05	April 2006- March 2007	High Court, Chennai
	Demand of excise duty on clinker used for manufacture of cement cleared to SEZ	2.52	November 2007 to October 2008	Custom Excise & Service Tax Appellate Tribunal, Delhi
		1.19	April 2011 to November 2011	Commissioner, Tiruchirappalli
		7.21	August 2009 to March 2011	Custom Excise & Service Tax Appellate Tribunal, Chennai
		0.96	July 2006 to October 2007	
		0.46	March 2011 to December 2011	Joint Commissioner, Excise Adjudication, Tiruchirappalli

Name of the statute	Nature of dues	Amount ₹ (crore)	Period to which the amount relates	Forum where dispute is pending
	Denial of wrong Availment of Cenvat Credit on Intermediate Capital Goods (Pre-Heater Project)	0.72	October 2001 to April 2002	Supreme Court
	Denial of cenvat credit on unspecified items as Capital goods.	0.32	April 2009 to February 2010.	Custom Excise & Service Tax Appellate Tribunal, Delhi
	Denial of cenvat credit on Industrial Gases, Welding Electrodes	0.2	April 2007 to October 2011	Joint Commissioner, Excise Adjudication, Tiruchirappalli
	Demand of duty on Oil well Cement cleared to ONGC under international competitive bidding	0.94	September 2010 to March 2011	Commissioner
	Denial of refund of excise duty on packing charges on the ground of unjust enrichment	0.08	May 2008 to July 2008	High Court, Chennai
	Demand for irregular availment of CENVAT credit	0.07	August 2011	Commissioner (Appeals) Tiruchirappalli
	Cenvat credit on Steel items as Inputs and Capital goods, unspecified items and welding electrodes	0.07	July 2010 to Dec 2010	Joint Commissioner, Tiruchirappalli
		0.11	March 2010 to June 2010	Assistant Commissioner, Tanjore
	Cenvat credit on stacker reclaimer sheds etc. as Capital goods.	4.33	July'08 to March'09	Custom Excise & Service Tax Appellate Tribunal, Delhi
	Denial of refund of excise duty on Equalised Freight	2.64	April 1972 to March 1976	Supreme Court

(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 financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before 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 Companies (Auditor's Report) Order, 2003 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 subsidiaries from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(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 Companies Act, 1956.

(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) 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.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Manoj Gupta
Partner
Membership Number: 83906

Place of Signature: Gurgaon
Date: May 14, 2014

For S.S. Kothari Mehta & Co.
Chartered Accountants
ICAI Firm Registration Number: 00756N

per Arun K. Tulsian
Partner
Membership Number: 89907

Place of Signature: New Delhi
Date: May 14, 2014

BALANCE SHEET
as at March 31, 2014

(₹ Crore)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	252.92	252.92
Reserves and Surplus	3	2,645.33	2,620.55
		2,898.25	**2,873.47**
Non- Current Liabilities			
Long-term borrowings	4	2,425.17	2,067.87
Deferred Tax Liability (Net)	5	132.58	108.83
Other long-term liabilities	6	47.45	188.09
Long term provisions	7	22.99	20.01
		2,628.19	**2,384.80**
Current Liabilities			
Short-term borrowings	8	431.02	244.15
Trade payables	9	198.16	202.07
Other current liabilities	10	300.52	240.47
Short-term provisions	11	0.58	17.14
		930.28	**703.83**
Total		**6,456.72**	**5,962.10**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	12	3,014.27	2,920.14
Intangible assets	12	1.63	1.55
Capital work-in-progress		704.43	262.02
		3,720.33	**3,183.71**
Non-current Investments	13	1,292.48	1,367.43
Long term loans and advances	14	394.71	444.21
		5,407.52	**4,995.35**
Current Assets			
Current investments	15	379.97	384.39
Inventories	16	246.29	253.84
Trade Receivables	17	172.16	160.16
Cash and cash equivalents	18	26.11	52.28
Short-term loans and advances	19	223.03	115.21
Other Current Assets	20	1.64	0.87
		1,049.20	**966.75**
Total		**6,456.72**	**5,962.10**
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 14, 2014

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 14, 2014

For and on behalf of the Board of Directors of
Dalmia Cement (Bharat) Limited

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Manisha Bansal
Company Secretary

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2014

Dalmia Bharat Cement

(₹ Crore)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations (gross)	21	2,609.55	2,788.17
Less: Excise Duty		331.02	339.42
Revenue from operations (Net)		**2,278.53**	**2,448.75**
Other income	22	78.82	75.70
Total Revenue (I)		**2,357.35**	**2,524.45**
Expenses			
Cost of Raw materials consumed	23	237.50	235.67
Changes in inventories of finished goods and work in progress	24	2.41	(2.53)
Employee benefits expense	25	126.94	124.22
Other Expenses	26	1,578.76	1,542.98
Total (II)		**1,945.61**	**1,900.34**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**411.74**	**624.11**
Finance costs	27	217.72	196.31
Depreciation and amortization expenses	12	161.40	158.89
Profit before exceptional items and Tax		**32.62**	**268.91**
Exceptional Item (Refer Note 51)		(0.28)	—
Profit before Tax		**32.34**	**268.91**
Tax expense			
Current tax		11.95	82.30
Deferred Tax charge		23.75	35.53
Prior year tax charge/ (written back)		4.91	(5.85)
Total Tax Expense		**40.61**	**111.98**
Profit/(Loss) after Tax		**(8.27)**	**156.93**
Earning per Share	28		
Basic and Diluted Earnings Per Share (In ₹)		(0.33)	6.20
[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 14, 2014

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 14, 2014

For and on behalf of the Board of Directors of
Dalmia Cement (Bharat) Limited

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Manisha Bansal
Company Secretary

CASH FLOW STATEMENT
for the year ended March 31, 2014

(₹ Crore)

		2013-14	2012-13
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**32.34**	**268.91**
	Adjustments		
	Depreciation/Amortisation	162.96	158.89
	Profit of subsidiary on amalgamation	(2.71)	—
	Expenses on amalgamation	(0.22)	—
	Provision for doubtful debts/advances	(3.65)	1.34
	Bad debts written off	6.39	0.02
	Dividend Income	(5.20)	(19.11)
	Finance costs	217.72	196.31
	Interest Income	(14.80)	(24.53)
	(Profit)/Loss on sale of Investments	(26.97)	(14.64)
	Assets written off/Loss on sale of assets	0.34	0.38
	Operating Profit before working Capital Changes	**366.20**	**567.57**
	Adjustments for working Capital changes :		
	Inventories	9.47	(24.64)
	Trade Payables, Liabilities and Provisions	(30.73)	52.47
	Trade Receivables, Loans and Advances and Other Current Assets	(205.87)	(60.95)
	Cash Generated from Operations	**139.07**	**534.45**
	Direct Taxes Paid	(19.93)	(82.14)
	Net Cash from Operating activities	**119.14**	**452.31**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed Assets	(408.54)	(382.29)
	Proceeds from sale of Fixed Assets	0.59	2.73
	(Purchase)/ Sale of Current Investments (net)	31.39	(64.06)
	(Purchase)/ Sale of Non Current Investments (net)	(22.52)	138.89
	Acquisition of subsidiaries	(86.09)	(557.92)
	Interest Received	26.17	6.24
	Dividend Received from Current Investments	1.33	7.49
	Dividend Received from Non Current Investments	3.87	11.62
	Net Cash used in Investing Activities	**(453.80)**	**(837.30)**
C	**Cash used from Financing Activities**		
	Proceeds from Short term Borrowings	186.87	23.31
	Proceeds from Long term Borrowings	517.60	686.83
	Repayments of Long term Borrowings	(119.10)	(101.76)
	Finance cost	(260.93)	(199.86)
	Dividend paid (including Dividend Distribution tax)	(16.28)	(16.16)
	Net Cash from/ (used in) Financing Activities	**308.16**	**392.36**
	Net increase in cash and cash equivalents (A+B+C)	**(26.50)**	**7.37**
	Cash and cash equivalents (Opening Balance)	**52.28**	**44.91**
	Add: Additions on amalgamation	**0.33**	**—**
	Cash and cash equivalents (Closing Balance)	**26.11**	**52.28**
	Change in Cash & Cash Equivalents	**(26.50)**	**7.37**

Note:

1) Cash & cash equivalents components are as per Note 18 of the Financial Statements
2) Previous year figures have been regrouped/restated where ever considered necessary

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906
Place : Gurgaon
Date : May 14, 2014

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 14, 2014

For and on behalf of the Board of Directors of
Dalmia Cement (Bharat) Limited

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Manisha Bansal
Company Secretary

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) read with General circular 8/2014 dated 4th April,2014 issued by Ministry of Corporate affairs 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 pursuant to the respective Schemes of Arrangement which are carried at fair market value determined in accordance with schemes.

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 pursuant to the Schemes 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.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

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 and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 C ompany 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 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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. 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.

The C ompany 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.

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.

2. Share Capital

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Authorised : (Refer Note 51)		
300,000,000 (300,000,000) Equity Shares of ₹ 10/- each	300.00	300.00
30,000,000 (Nil) Preference Shares of ₹ 100/- each	300.00	—
773,000,000 (Nil) Unclassified Shares of ₹ 10/- each	773.00	—
	1,373.00	**300.00**
Issued, Subscribed and Fully Paid Up :		
252,919,005 (252,919,005) 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, 2014		As at March 31, 2013	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the period	252,919,005	252.92	252,919,005	252.92
At the end of the period	**252,919,005**	**252.92**	**252,919,005**	**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 ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of dividend per share recognized as distribution to equity shareholders was ₹Nil (₹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, 2014		As at March 31, 2013	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Dalmia Bharat Limited	215,000,000	215.00	215,000,000	215.00

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Dalmia Bharat Limited	215,000,000	85.01%	215,000,000	85.01%
KKR Mauritius Cements Investments Limited	37,919,005	14.99%	37,919,005	14.99%

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Business Restructuring Reserve		
Opening Balance as per last financial statements	1,833.51	1,833.51
Additions during the year (Refer Note 51)	33.05	—
Closing Balance	**1,866.56**	**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	75.83	58.54
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	14.17	17.29
Closing Balance	**90.00**	**75.83**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	252.51	129.15
Profit/ (Loss) for the year	(8.27)	156.93
Less: Appropriations		
Transfer to debenture redemption reserve	14.17	17.29
Proposed Dividend on equity shares	—	13.91
Dividend Distribution Tax	—	2.37
Total Appropriations	**14.17**	**33.57**
Net Surplus in the Statement of Profit and Loss	**230.07**	**252.51**
Total reserves and surplus	**2,645.33**	**2,620.55**

Dalmia Bharat Cement

4. Long Term Borrowings

(₹ Crore)

	As at March 31, 2014		As at March 31, 2013	
Secured				
A. Redeemable Non-Convertible Debentures	402.00		456.00	
Less: Shown in current maturities of long term borrowings	95.34	306.66	54.00	402.00
B. Term Loans:				
i. From Banks	1,811.82		1,369.89	
Less: Shown in current maturities of long term borrowings	60.80	1,751.02	55.92	1,313.97
ii. From Others		312.00		289.46
Total secured long term borrowings		**2,369.68**		**2,005.43**
Unsecured				
C. Fixed Deposits*	7.44		6.54	
Less: Shown in current maturities of long term borrowings	1.23	6.21	2.29	4.25
D. Deferred payment liabilities	57.91		66.83	
Less: Shown in current maturities of long term borrowings	8.63	49.28	8.92	57.91
E. From Bank	—		0.31	
Less: Shown in current maturities of long term borrowings	—	—	0.03	0.28
Total unsecured long term borrowings		**55.49**		**62.44**
Total long term borrowings		**2,425.17**		**2,067.87**

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

i) 10.75%, ₹100 Cr (₹ 100Cr.) 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. For ₹75 Cr (Nil), interest rate swap has been taken @9.20% payable on USD 12,133,959.

ii) 11.00%, ₹100 Cr (₹ 100 Cr.) 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 ₹16 Cr (₹28 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 Dec 2014.

iv) 8.90%, Series XA ₹16 Cr (₹ 28 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 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 ₹35 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 two yearly instalments of ₹15 Cr and ₹20 Cr in October 2014 and October 2015.

vii) 8.87%, Series XI ₹35 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 two yearly instalments of ₹15 Cr and ₹20 cr in May 2014 and May 2015.

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

i) ₹43.48 Cr (₹51.17 Cr) carrying interest at Libor plus 2.146% (presently 2.4795%) 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) ₹ 824.18 Cr (₹868.72 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 1.00% (present 11.20%). It is repayable in unequal quarterly installment in the range of ₹ 11.14 Cr to ₹ 47.33 Cr each till Sep 2022.

iii) ₹100.00 Cr (₹100.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.05% (present 11.80%). It is repayable within 6 unequal annual installment in the range of ₹ 5.00 Cr to ₹ 30.00 Cr each commencing from Nov 2015.

iv) ₹200.00 Cr (₹150.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram Unit at base rate plus 1.75% (present 12.00%). It is repayable within 24 equal quarterly installments commencing from December 2016.

v) ₹ 40.00 Cr (Nil) are secured by a first pari-passu charge on movable and immovable fixed assets of Ariyalur and Kadappa Unit at base rate plus 1.75% (present 12.00%). It is repayable within 24 equal quarterly installments commencing from December 2016.

vi) ₹543.08 Cr (₹200.00Cr) 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 11.50%). 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) ₹ 61.08 Cr (Nil) carrying interest at Libor plus 2.05% (presently 2.43%) are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum. The Loan has been availed in foreign currency repayable in 16 half yearly installments of USD 0.06 Cr. each from Oct 14.

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

₹ 312.00 Cr (₹ 289.46 Cr) carrying interest @ 0.10% p.a. are secured by a first pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2017-18 but repayment schedule is yet to be finalised.

4) Fixed deposit referred to in C above to the extent of:

₹ 7.44 Cr (₹ 6.54 Cr) are repayable in next 1 month to 36 months with interest rate in the range of 9.50% to 10.00%.
*Includes from Directors ₹ 0.23 Cr (₹ 0.22 Cr)

5) Interest free, ₹ 57.91 Cr. (₹ 66.83 Cr) deferred payment liabilities referred to in D above are repayable after 10 years from date of deferrment and is payable in monthly instalments of ₹ 0.05 Cr to ₹ 9.06 Cr till FY 2016-17.

6) Housing loans from Bank referred to in E above to the extent of ₹ Nil (₹ 0.03 Cr) is payable at applicable interest rate in unequal monthly installments. For ₹ Nil (₹ 0.28 Cr) repayment terms are yet to be communicated by bank.

5. Deferred Tax Liability (Net)

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Deferred Tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	137.79	115.30
	137.79	115.30
Assets		
Expenses allowable for tax purpose when paid	1.19	1.19
Provision for doubtful debts and advances	4.01	5.25
Others	0.01	0.03
	5.21	6.47
Net	**132.58**	**108.83**

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Security deposit received	35.54	22.43
Retention Money Payable	3.63	9.82
Purchase Consideration payable for investments (Refer Note 50)	—	107.67
Other Liabilities	8.28	48.17
	47.45	**188.09**

7. Long Term Provisions

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Provision for Mines reclamation liability	7.70	7.26
Provision for leave encashment	4.19	5.13
Provision for other employee benefits	11.10	7.62
	22.99	**20.01**

8. Short Term borrowings

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Secured		
A. Rupee loan from Banks	289.73	30.05
B. Foreign currency loan from Banks	140.59	213.33
Total secured short term borrowings	**430.32**	**243.38**
Unsecured		
C. Fixed Deposits	0.70	0.77
Total unsecured short term borrowings	**0.70**	**0.77**
Total short term borrowings	**431.02**	**244.15**

A) Rupee loans from Banks referred to in A above to the extent of:

(i) ₹ 174.77 Cr (₹30.05 Cr) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari pasu on inter se basis repayable in next one year and carry interest rate in the range of 10.40% p.a. to 12.75% p.a.

(ii) ₹114.96 Cr (Nil) are secured by way of pledge of Mutual Fund Units repayable in less than one year and carrying interest rate @ 10% p.a.

B) Foreign Currency Loans from Banks referred to in B above to the extent of:

(i) ₹119.92 Cr. (Nil) are secured by Letter of Undertaking issued by consortium bankers on the security of hypothecation of inventories and other assets in their favor ranking pari pasu on inter se basis repayable in less than one year and carry interest rate at LIBOR Plus 0.31% to 0.38% (presently 0.50855% p.a to 0.6144% p.a.)

(ii) ₹ 20.67 Cr (₹213.33 Cr) are secured by way of pledge of Mutual Fund Units repayable in less than one year and carrying interest rate at LIBOR Plus 0.45% (Presently 0.6833% p.a.)

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

₹0.70 Cr. (₹ 0.77 Cr) are repayable in next 1 month to 1 year with interest rate @ 9.25%.

9. Trade payables

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
	198.16	202.07
(Refer note 33 for dues to Micro & Small Enterprises)	**198.16**	**202.07**

10. Other current liabilities

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Current maturities of long term borrowings	166.00	121.16
Interest accrued but not due on borrowings	9.84	10.75
Advance from customers	14.16	11.15
Security deposit received	4.23	3.78
Capital Creditors	35.78	23.11
Directors' Commission payable	—	0.50
Unclaimed Fixed Deposits and interest thereon*	0.09	0.10
Purchase Consideration payable (Refer Note 49)	30.00	30.00
Other liabilities		
- Statutory dues	36.30	36.37
- Others	4.12	3.55
	300.52	**240.47**

* Not due for deposit with Investor Education & Protection Fund.

11. Short term provisions

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Proposed dividend	—	13.91
Dividend distribution tax	—	2.37
Provision for employee benefits	0.58	0.86
	0.58	**17.14**

12. Fixed Assets

(₹ Crore)

	Tangible						Intangible	Total
	Land (Freehold)	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer Software	
Cost								
As at 1st April 2012	285.28	261.52	2,701.22	3.23	8.54	17.08	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	0.14	3.10	—	0.03	0.01	—	3.35
As at 31st March 2013	**296.18**	**280.31**	**2,779.36**	**3.48**	**9.41**	**18.93**	**6.68**	**3,394.35**
Additions on amalgamation	202.12	0.13	0.07	0.06	—	0.04	—	202.42
Additions during the year	5.17	5.71	33.91	0.88	1.44	1.87	1.55	50.53
Exchange Fluctuation - adjustment	—	—	**5.15**	—	—	—	—	**5.15**
Disposals during the year	0.03	—	0.47	—	—	—	0.63	1.13
As at 31st March 2014	**503.44**	**286.15**	**2,818.02**	**4.42**	**10.85**	**20.84**	**7.60**	**3,651.32**
Depreciation/ Amortization								
As at 1st April 2012	—	14.49	289.37	0.77	1.79	4.51	3.04	313.97
Charge for the year	—	6.84	146.56	0.21	0.97	2.26	2.09	158.93
On Disposals	—	—	0.23	—	0.01	—	—	0.24
As at 31st March 2013	—	**21.33**	**435.70**	**0.98**	**2.75**	**6.77**	**5.13**	**472.66**
Charge for the year	—	8.29	149.74	0.26	1.07	2.64	0.96	162.96
On Disposals	—	—	0.08	—	—	—	0.12	0.20
As at 31st March 2014	—	**29.62**	**585.36**	**1.24**	**3.82**	**9.41**	**5.97**	**635.42**
Net Block								
As at 31st March 2013	**296.18**	**258.98**	**2,343.66**	**2.50**	**6.66**	**12.16**	**1.55**	**2,921.69**
As at 31st March 2014	**503.44**	**256.53**	**2,232.66**	**3.18**	**7.03**	**11.43**	**1.63**	**3,015.90**

Note: Depreciation of ₹1.56 Cr (₹ 0.04 Crores) is included in carrying amount of Capital work in progress.
Registration of Land amounting to ₹37.22 Cr (Nil) in the Company's name is pending.

13. Non-current Investments

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Trade investments		
Investments in Associates		
Equity Shares		
Quoted		
27,312,107 (25,814,904) Shares of ₹2/- each fully paid up in OCL India Limited	430.80	408.27
Unquoted		
130,000 (130,000) Shares of ₹10/- each fully paid up in DCB Power Ventures Limited	91.08	91.08
Investments in Joint Venture		
Equity Shares		
Unquoted		
1,836,500 (1,836,500) Shares of ₹10/- each fully paid up in Khappa Coal Company Private Limited	1.84	1.84
Equity Shares		
Unquoted		

(₹ Crore)

	As at March 31, 2014		As at March 31, 2013	
50,000 (50,000) Shares of ₹ 10/- each fully paid up in Arjuna Brokers & Minerals Limited.	0.05			0.05
Nil (161,711,000) Shares of ₹ 10/- each fully paid up in Dalmia Cement Ventures Limited (Refer Note 51)	—			162.46
250,000 (250,000) 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	
250,000 (250,000) 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	
250,000 (250,000) 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	
9,40,000 (Nil) Shares of ₹ 10/- each fully paid up in Golden Hills & Resorts Private Limited (Refer Note 51)	5.02		—	
10,000 (Nil) Shares of ₹ 10/- each fully paid up in Rajputana Properties Private Limited (Refer Note 51)	0.25		—	
267,284,485 (267,284,485) Shares of ₹ 10/- each fully paid up in Calcom Cement India Limited	251.59		251.59	
(Refer note 49)				
32,945,000 (25,532,375) Shares of ₹ 10/- each fully paid up in Adhunik Cement Limited	450.35	709.76	390.64	807.24
(Refer note 50)				
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 49)				
Total		**1,292.48**		**1,367.43**
Quoted:				
Book Value		430.80		408.27
Market Value		502.00		368.51
Book Value of Unquoted Investments		861.68		959.16

Note:

(1) The Company has given undertaking to the lenders of its Subsidiary Adhunik Cement Limited ("ACL") that the Company shall not dilute its holding below 51% in "ACL" without the prior written approval of the lenders.

(2) The Company has given undertaking to the lenders of its Subsidiary Calcom Cement India Limited ("CCIL") that the Company shall not transfer, assign, dispose of, pledge, create charge or in any manner encumber or alienate its entire shareholding in "CCIL" until complete repayment of the loans by "CCIL" without the prior written approval of the lenders.

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

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Capital advances	65.88	102.30
Security deposit	24.64	17.72
Loans and advances to:		
Employees@	0.06	0.08
Related Parties: (Refer note 47)		
Advance against Share Application Money	4.38	4.28
Advance for Warrants	0.01	56.74
Others (including capital advances of ₹49.37 Cr (₹36.36 Cr))	105.34	86.53
Advance for purchase of investments (Refer Note 50)	—	81.29
Advances recoverable in cash or in kind or for value to be received	0.20	0.31
Incentives receivable	96.12	55.66
Advance Income Tax (Net of Provision for Tax ₹14.65 Cr (₹147.16 Cr))	18.12	14.84
Deposit and Balances with Government Departments and Other Authorities	79.96	24.46
	394.71	**444.21**
@includes due from officers of the Company	0.06	0.08

15. Current Investments

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Units of Mutual Funds (Quoted)		
Debt based schemes	379.97	384.39
Total	**379.97**	**384.39**
Quoted		
Book Value	379.97	384.39
Market Value	396.03	411.62

16. Inventories

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
(Mode of valuation - refer note 1(l) on inventories)		
Raw Materials		
On hand	11.32	10.56
In transit	0.12	0.09
Packing Materials		
On hand	10.96	15.62
In transit	1.09	0.85
Work in Progress	34.07	26.81
Finished Goods		
On hand	27.70	33.03
In transit	1.27	5.61
Stores, Spares etc		
On hand	158.26	158.86
In transit	1.50	2.41
	246.29	**253.84**

17. Trade Receivables

(₹ Crore)

		As at March 31, 2014		As at March 31, 2013	
a)	**Receivables outstanding for a period exceeding six months from the date they are due for payment**				
	Considered good				
	Secured		0.12		0.90
	Unsecured		1.02		0.72
	Considered doubtful	7.34		14.80	
	Less: Provision for Bad and Doubtful receivables	7.34	—	14.80	—
	(A)		**1.14**		**1.62**
b)	**Other receivables**				
	Considered good				
	Secured		61.67		64.31
	Unsecured		181.16		148.95
	Considered doubtful	0.60		0.66	
	Less: Provision for Bad and Doubtful receivables	0.60	—	0.66	—
	(B)		**242.83**		**213.26**
	Trade Receivables (A+B)		**243.97**		**214.88**
	Less: Provision for Rebate / Discount		71.81		54.72
			172.16		**160.16**

18. Cash and cash equivalents

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Cash on hand	0.07	0.09
Cheques in Hand	0.03	13.19
Balances with Scheduled Banks :		
- On current accounts	23.56	38.17
- On deposit accounts	0.45	0.76
Other bank balances		
- Margin money (pledged with bank against bank guarantee)	2.00	0.07
	26.11	**52.28**

19. Short term Loans and Advances

(₹ Crore)

	As at March 31, 2014		As at March 31, 2013	
Secured				
Loan to Employees*		—		0.01
Unsecured, considered good				
Loan and advances to				
- Employees*		0.55		1.23
- Related parties (Refer note 47)		115.53		36.78
Other loans and advances		61.89		30.59
Considered Doubtful	3.87		—	
Less: Provision for doubtful advances	3.87	—	—	—
Interest receivable (Refer note 47)		8.52		19.89
Deposit and Balances with Government Departments and Other Authorities		36.54		26.71
		223.03		**115.21**
*includes due from officers of the Company		0.55		1.24

20. Other Current Assets

(₹ Crore)

	As at March 31, 2014	As at March 31, 2013
Unamortised premium on forward contracts	1.64	0.87
	1.64	**0.87**

21. Revenue from operations

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from operations		
Cement Sales	2,519.32	2,705.81
Power Sales	79.77	73.00
Other operating revenue		
Sales Tax incentive (Refer Note 36)	10.46	9.36
	2,609.55	**2,788.17**

22. Other Income

(₹ Crore)

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Dividend income				
- from non current Investments		3.87		11.62
- from current investments		1.33		7.49
Interest Income on Bank deposits & others		14.80		24.53
Profit on sale of Investments	27.67		14.69	
Less: Loss on sale of Investments	0.70	26.97	0.05	14.64
Miscellaneous Receipts		31.85		17.42
		78.82		**75.70**

23 . Cost of Raw materials consumed

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Class of Product		
Limestone	135.43	136.48
Gypsum	15.38	21.02
Fly ash	57.57	60.45
Others	29.12	17.72
	237.50	**235.67**

24. (Increase)/ Decrease in inventories of finished goods and work in progress

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Finished Goods		
- Closing stock	28.97	38.64
- Opening stock	38.64	26.31
	9.67	(12.33)
Work-in-Process		
- Closing stock	34.07	26.81
- Opening stock	26.81	36.61
	(7.26)	9.80
	2.41	**(2.53)**

25. Employee benefit expenses

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, Wages and Bonus	107.76	102.66
Contribution to Provident Fund and Other Funds	5.16	8.00
(Refer note 42)		
Workmen and Staff Welfare expenses	14.02	13.56
	126.94	**124.22**

26. Other Expenses

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and Fuel (Refer note 36)	681.77	713.65
Packing Materials	111.38	108.02
Consumption of Stores and Spares Parts	6.00	12.17
Freight and Forwarding Charges	414.52	371.10
Repairs and Maintenance		
- Plant & Machinery	72.20	60.26
- Buildings	3.47	3.85
Rent	2.07	1.80
Rates and Taxes	3.43	4.14
Insurance	2.12	2.49
Management Service Charges	56.73	62.46
Depot Expenses	64.15	57.29
Excise duty variation on opening / closing inventories	(0.44)	3.31
Advertisement and Publicity	27.06	26.39
Exchange Fluctuation	9.90	0.27
Miscellaneous Expenses	124.40	115.78
	1,578.76	**1,542.98**

27. Finance Costs

(₹ Crore)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest		
- On term loans and debentures	174.38	143.29
- On short term borrowings	8.23	16.23
- Others	5.69	5.90
Other borrowing cost	5.83	26.98
Exchange differences to the extent considered as an adjustment to borrowing cost	23.59	3.91
	217.72	**196.31**

28. Earning Per Share

	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit/ (loss) for calculation of basic and diluted EPS (₹ in Cr)	(8.27)	156.93
Total number of equity shares outstanding at the end of the year	252,919,005	252,919,005
Weighted average number of equity shares in calculating basic and diluted EPS	252,919,005	252,919,005
Basic and Diluted EPS (₹)	(0.33)	6.20

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

(A)

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
a)	Claims against the Company not acknowledged as debts	57.71	64.53
b)	Demand raised by following authorities in dispute:		
	Excise, Customs, Service tax, VAT and Sales Tax	245.90	132.89
	Income tax matters	182.47	—
c)	Guarantees/Counter Guarantees given to banks on account of guarantees issued by the banks to Bodies Corporate	4.00	4.00
	Total	**490.08**	**201.42**

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.

B) Loan outstanding in the books of subsidiary Calcom Cement India Limited for which the Company has given Guarantee- ₹ 23.67 crores (previous year ₹ Nil)

30. 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 Indian Penal Code. The investigating agency has alleged that the Company's investment in Bharthi Cement and acquisition of Eswar Cements Private Limited were made for the benefit of an influential person in the State, prime accused in the case, as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh. However, both the investments made by Dalmia Bharat Sugar and Industries Limited were genuine investments as permitted under that Company's Memorandum and Articles of association and duly approved by their Board of Directors. The proceedings are still at the preliminary stage and in the opinion of the management, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

31. Capital and Other commitments

(₹ Crore)

Particulars	2013-14	2012-13
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	126.83	319.37
Other commitments (take or pay obligation for coal and power purchase) (net of advances)	58.52	69.52

32. Remuneration paid to auditors (included in Miscellaneous Expenses):

(₹ Crore)

Particulars	2013-14	2012-13
Statutory auditors		
a) as an auditor		
i) Statutory audit fee	0.25	0.25
ii) Tax audit fee	0.03	0.03
iii) Limited review	0.14	0.14
In other capacity		
i) Company law matter	0.02	0.06
ii) Certification fee	0.01	0.02
Reimbursement of expenses	0.09	0.11
Cost Auditor		
a) Audit Fee	0.02	0.01
b) For Expenses	—	—

33. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(₹ Crore)

Particulars	2013-14	2012-13
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.05	0.06
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	—	—
Total	**0.05**	**0.06**

34. 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	2013-14	2012-13
Lease payments for the year	40.15	43.04
Total	**40.15**	**43.04**

35. Particulars of forward contracts 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 (₹ Cr)	Purpose
Buy	Euro	— (434,400)	— (3.28)	To hedge the import creditors for Spare Parts.
Total	**Euro**	— **(434,400)**	— **(3.28)**	
Buy	USD	17,389,535 (11,721,094)	104.20 (66.66)	To hedge the repayment of principal and interest on foreign currency loans.
Total	**USD**	**17,389,535** **(11,721,094)**	**104.20** **(66.66)**	

Particulars of unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (₹ Cr.)
Foreign currency loans and interest thereon	USD 23,714,766 (USD 36,917,979) (Closing rate 1 USD =₹ 59.92 (₹54.355))	142.10 (200.67)
Trade Payables	USD 2,19,022 (USD 70,100) (Closing rate 1 USD =₹ 59.92 (₹54.355))	1.31 (0.38)
Payables for Capital Goods	Nil (EURO 868,357) (Closing rate 1 EURO= ₹82.7495 (₹70.51))	— (6.12)
Payables for the purchase of Spare parts	EURO 24,244 (EURO 2,262) (Closing rate 1 EURO = ₹82.7495 (₹70.51))	0.20 (0.02)
Trade Receivables for Export Sales	USD 643,589 (USD 37,957) (Closing rate 1 USD = ₹59.92 (₹54.355))	3.86 (0.21)

36. 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	2013-14	2012-13
Power incentive (netted from Power and Fuel in Note 26)	40.52	14.79
Sales tax incentive (Other income in Note 21)	10.46	9.36
Total	**50.98**	**24.15**

37. Details of Finished Goods

(₹ Crore)

Class of Product	2013-14	2012-13
Opening stock		
Cement	38.64	26.31
Closing stock		
Cement	28.97	38.64

38. CIF Value of Imports

(₹ Crore)

Particulars	2013-14	2012-13
Raw Materials	1.50	1.67
Stores & spares	6.45	5.84
Packing Bags	1.90	3.32
Coal	374.65	483.74
Capital Goods	57.76	69.51
Total	**442.26**	**564.08**

39. Expenditure in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2013-14	2012-13
Professional and Consultation Fees	1.72	3.06
Interest	3.49	5.74
Others	3.95	0.66
Total	**9.16**	**9.46**

40. Earnings in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2013-14	2012-13
Export of goods at FOB value	25.66	12.03
Total	**25.66**	**12.03**

41. Details regarding imported and indigenous materials consumed during the year:

(₹ Crore)

	Imported		Indigenous		Value of total consumption
	Value	Percentage to total consumption	Value	Percentage to total consumption	
Raw Materials	3.10	1.31	234.40	98.69	237.50
	(2.62)	(1.11)	(233.05)	(98.89)	(235.67)
Spares Parts etc.	4.32	7.68	51.90	92.32	56.22
	(4.21)	(6.28)	(62.85)	(93.72)	(67.06)

42. 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 through Gratuity Fund Trust 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 recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefits Expense)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	1.54	2.21	0.79	0.59
Interest cost on benefit obligation	1.19	0.89	0.60	0.65
Expected return on plan assets	(1.39)	(1.15)	(0.61)	(0.65)
Net actuarial (gain)/ Loss recognized in the year	(1.06)	1.35	(0.03)	0.06
Net Benefit Expense	0.29	3.30	0.75	0.65
Actual return on plan assets	1.26	1.13	—	—

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Present value of defined benefit obligation as at year-end	15.33	14.89	8.67	7.24
Fair value of plan assets as at year-end	15.45	14.75	8.58	7.12
Funded status {(Surplus/(Deficit)}	0.12	(0.14)	(0.09)	(0.12)
Net Asset/(Liability) as at year end	**0.12**	**(0.14))**	**(0.09)**	**(0.12)**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening defined benefit obligation	14.89	11.06	7.24	7.63
Contribution by plan participation / employees	—	—	1.14	0.72
Current service cost	1.54	2.21	0.79	0.59
Interest Cost	1.19	0.89	0.60	0.65
Benefits paid out of funds	(1.10)	(0.60)	(1.06)	(2.36)
Actuarial (gains)/ losses on obligation	(1.19)	1.33	(0.03)	0.01
Settlements / Transfer in	—	—	—	—
Closing defined benefit obligation	**15.33**	**14.89**	**8.67**	**7.24**

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Opening fair value of plan assets	14.75	12.22	7.12	7.59
Contribution by plan participation / employees	—	—	1.14	0.72
Actual return on plan assets	1.38	1.13	0.61	0.65
Contribution by employer	0.55	2.00	0.79	0.59
Benefits paid	(1.10)	(0.60)	(1.07)	(2.36)
Actuarial gains/ (losses) on obligation	(0.13)	—	(0.01)	(0.07)
Settlements / Transfer in		—	—	—
Closing fair value of plan assets	**15.45**	**14.75**	**8.58**	**7.12**

The Company expects to contribute ₹2.55 Cr (₹3.06 Cr) to gratuity and ₹0.79 Cr (₹0.70 Cr) to PF trust in 2014-15.

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Qualifying Insurance Policy	99.60%	100%	—	—
Bank Balance	0.40%			
Govt. securities and financial securities as defined under 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 defined benefits for the Company are shown below:

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	8.00%	8.00%	9.00%	8.50%
Expected rate of return on assets	8.85%	9.40%	—	—
Mortality Table	IALM (1994-96) duly modified	IALM (1994-96) duly modified	IALM (1994-96) duly modified	IALM (1994-96) duly modified
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)		
	2013-14	2012-13	2011-12	2010-11	2013-14	2012-13	2011-12
Defined benefit obligation	15.33	14.89	11.06	9.49	8.67	7.24	7.63
Plan assets	15.45	14.75	12.22	11.43	8.58	7.12	7.59
Surplus/ (deficit)	0.12	(0.14)	1.16	1.94	(0.09)	(0.12)	(0.04)
Experience adjustment on plan assets (loss)/ gain	(0.13)	(0.02)	0.02	0.81	—	—	
Experience adjustment on plan liabilities (loss)/ gain	1.19	(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	2013-14	2012-13
Provident Fund/Superannuation fund/ ESI/ Pension Scheme	5.01	4.05

43. The Company has debited direct expenses relating to limestone mining, captive power generation and Depot Expenses etc. to cost of raw material consumed, power& fuel and other accounts as under:

(₹ Crore)

Particulars	2013-14	2012-13
Cost of raw materials consumed	8.17	20.08
Power and fuel	38.49	41.80
Repair and maintenance to Plant & Machinery	44.53	36.58
Depot expenses	6.40	5.41
Repair and maintenance to building	—	0.32
	97.59	**104.19**

These expenses if reclassified on 'nature of expense' basis as required by Schedule VI will be as follows:

(₹ Crore)

Particulars	2013-14	2012-13
Consumption of stores and spare parts	50.22	54.89
Rent	38.08	41.24
Insurance	0.08	0.10
Salary and wages	4.75	3.95
Power Charges	0.46	0.16
Operations and Maintenance	4.00	3.85
	97.59	**104.19**

44. During the year, the Company has incurred 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	2013-14	2012-13
Brought forward from last year	**20.77**	**—**
Addition on amalgamation	**10.22**	**—**
Expenditure incurred during the year		
Employee benefits expense	**11.02**	**3.20**
Other Expenses		
Consumption of Stores and Spare Parts	—	0.03
Rent	0.14	0.05
Insurance	0.64	0.25
Travelling	0.29	0.13
Professional Charges	20.94	7.98
Rates & Taxes	—	0.02
Miscellaneous Expenses	3.57	1.05
Finance Cost	42.30	8.02
Depreciation /Amortization	1.56	0.04
Total Expenditure during the year	**80.46**	**20.77**
Less : Miscellaneous Income	0.01	—
Less : Capitalised during the year	1.25	—
Carried forward as part of Capital Work in Progress	**110.19**	**20.77**

45. Movement of long term provision during the year:

(₹ Crore)

Mines Reclamation Liability	2013-14	2012-13
Opening Provision	7.26	2.21
Add : Provision during the year	0.44	5.05
Closing Provision	**7.70**	**7.26**

Mines reclamation expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may very based on the nature of reclamation and the estimate of the reclamation expenditure.

46. Segmental Information

The company is operating in single reportable segment 'Cement' which is the primary business segment. Secondary segment by geographical location is as under:

(₹ Crore)

	2013-14	2012-13
Domestic turnover	2,570.01	2,756.36
Export turnover	29.08	22.45
	2,599.09	**2,778.81**

There are no assets outside India except for trade receivables of ₹3.86 Cr (₹0.21 Cr.) as at year end.

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

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

Related parties where control exists:

i. Holding Company

Dalmia Bharat Limited

ii. Subsidiaries of the Company

Arjuna Brokers & Minerals 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, Calcom Cement India Limited, Golden Hills Resorts Private Limited, Rajputana Properties Private Limited, Dalmia Bharat Cements Holdings Ltd and Shri Rangam Securities & Holdings Limited

iii. Step down Subsidiaries of the Company

Cosmos Cement Limited, Sutnga Mines Private Limited, Adhunik MSP Cement (Assam) Limited, Vinay Cements Limited, RCL Cements Limited and SCL Cements Limited

Related parties with whom transactions have taken place during the year:

i. Associate of the Company

OCL India Limited and DCB Power Ventures Limited

ii. Joint Ventures

Khappa Coal Company Private Limited

iii. Key Management Personnel/Director of the Company

Shri Jai Hari Dalmia-Director, Shri Yadu Hari Dalmia-Director, Shri Gautam Dalmia - Managing Director, Shri Puneet Yadu Dalmia – Managing Director and Shri Mahendra Singhi, Whole Time Director

iv. Enterprises controlled by the Key Management Personnel of the Company

Shri Nataraj Ceramic and Chemical Industries Limited, Keshav Power Limited, Himshikhar Investment Limited and Dalmia Bharat Sugar and Industries 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	Associate	Joint Venture	Key Management Personnel Director & Relatives	Key Management Personnel controlled enterprises	Total
Sale of goods and services	3.18 (3.26)	3.12 (0.02)	6.08 (-)	— (-)	— (-)	1.63 (0.62)	14.01 (3.90)
Purchase of goods and services	94.44 (84.34)	0.24 (-)	— (0.08)	— (-)	— (-)	29.03 (30.17)	123.71 (114.59)
Reimbursement of expenses – Receivable	1.19 (0.78)	0.36 (1.14)	0.18 (0.04)	— (-)	— (-)	0.04 (0.07)	1.77 (2.03)
Reimbursement of expenses – Payable	0.70 (3.70)	— (0.18)	— (0.10)	— (-)	— (-)	0.04 (0.05)	0.74 (4.03)
Rent/Lease rent payment	— (-)	0.06 (0.06)	31.68 (35.40)	— (-)	— (-)	— (-)	31.74 (35.46)
Rent Received	0.01 (-)	— (-)	0.02 (-)	— (-)	— (-)	— (-)	0.03 —
Capital Advances transferred	— (-)	— (13.13)	— (-)	— (-)	— (-)	— (-)	— (13.13)
Loans and Advances given	— (-)	146.89 (267.29)	— (-)	— (-)	— (-)	— (-)	146.89 (267.29)
Loans and Advances received	— (38.00)	— (-)	— (-)	— (-)	— (-)	— (-)	— (38.00)
Sale of Fixed Assets	— (-)	— (0.08)	0.30 (-)	— (-)	— (-)	— (-)	0.30 (0.08)
Purchase of Fixed Assets / CWIP	— (-)	— (45.11)	— (0.23)	— (-)	— (-)	0.09 (-)	0.09 (45.34)
Dividend Received	— (-)	— (-)	3.87 (11.62)	— (-)	— (-)	— (-)	3.87 (11.62)
Security Deposits Paid	— (-)	— (0.01)	— (-)	— (-)	— (-)	— (-)	— (0.01)
Security Deposits received	0.02 (-)	— (-)	— (-)	— (-)	— (-)	— (-)	0.02 (-)
Interest Received	— (-)	13.31 (20.26)	— (-)	— (-)	— (-)	— (-)	13.31 (20.26)
Interest Paid	— (0.71)	— (-)	— (-)	— (-)	— (-)	— (-)	— (0.71)
Subscription to Equity Share Capital	— (-)	— (145.00)	— (-)	— (-)	— (-)	— (-)	— (145.00)
Warrant Application Money	— (-)	— (0.01)	— (-)	— (-)	— (-)	— (-)	— (0.01)
Share Application Money given	— (-)	0.10 (-)	— (-)	— (-)	— (-)	— (-)	0.10 (-)
Managerial Remuneration Including Sitting Fees*	— (-)	— (-)	— (-)	— (-)	7.57 (13.49)	— (-)	7.57 (13.49)

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

1 Sale of goods includes transaction with Dalmia Bharat Limited ₹3.18 Cr (Previous Year ₹ 3.26Cr), OCL India Limited ₹5.55 Cr (Previous Year ₹ 0.02 Cr), Dalmia Bharat Sugar and Industries Limited ₹1.27 Cr (Previous Year ₹ 0.60 Cr.), Calcom Cement India Ltd ₹3.12 Cr (Previous Year Nil), DCB Power Ventures Ltd ₹0.53 Cr (Previous Year Nil)

2. Purchase of goods and services includes transaction with Dalmia Bharat Limited ₹94.44 Cr (Previous Year ₹ 84.34 Cr.), Keshav Power Limited ₹26.82 Cr (Previous Year ₹ 27.89 Cr)

3. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹1.19 Cr (Previous Year₹0.78 Cr), Dalmia Cement Ventures Limited Nil (Previous Year ₹0.07 Cr), OCL India Limited 0.04 Cr (Previous Year ₹0.04 Cr), Dalmia Bharat Sugar & Industries Limited ₹0.03 Cr (Previous Year ₹0.05 Cr), Adhunik Cement Limited ₹0.21 Cr (Previous Year ₹0.22 Cr.), Calcom Cement India Limited ₹0.15 Cr (Previous Year ₹0.84 Cr.), Shri Nataraj Ceramic & Chemical Industries Ltd ₹0.01 Cr (Previous Year Nil), DCB Power Ventures Ltd ₹0.14 Cr (Previous Year Nil)

4. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹0.70 Cr (Previous Year ₹ 3.70 Cr), Dalmia Cement Ventures Limited Nil (Previous Year ₹0.18 Cr), Dalmia Bharat Sugar & Industries Limited ₹0.04 Cr (Previous Year ₹ 0.05 Cr)

5. Rent/lease rent payment includes transaction with DCB Power Ventures Limited ₹31.68 Cr (Previous Year ₹ 35.40 Cr)

6. Rent received includes transaction with Dalmia Bharat Limited ₹0.01 Cr (Nil) and DCB Power Ventures Limited ₹0.02 Cr (Nil)

7. Capital advances transferred includes transaction with Dalmia Cement Ventures Limited Nil (Previous year ₹13.13 Cr).

8. Loan and advances given includes transaction with Dalmia Minerals & Properties Limited ₹4.27 Cr (Previous Year ₹ 0.76 Cr), Calcom Cement India Limited ₹109.64 Cr (Previous Year ₹ 110.31 Cr.), Adhunik Cement Limited ₹18.51 Cr (Previous Year ₹ 122.68 Cr) and Geetee Estates Ltd ₹0.32 Cr (Previous Year ₹2.16 Cr)

9. Loans and Advances received includes transaction with Dalmia Bharat Limited ₹ Nil (Previous Year ₹38.00 Cr)

10. Sale of Fixed Assets includes transaction with OCL India Ltd ₹0.30 Cr (Previous Year Nil), Dalmia Cement Ventures Limited (Previous Year ₹0.08 Cr)

11. Purchase of fixed assets includes transaction with Dalmia Bharat Sugar & Industries Lt ₹0.09 Cr (Previous Year Nil)

12. Dividend received includes transaction with OCL India Limited ₹3.87 Cr (Previous Year ₹ 11.62 Cr)

13. Security Deposit paid includes transaction with Dalmia Cement Ventures Limited Nil (Previous Year ₹0.01 Cr)

14. Security Deposit Received includes transaction with Dalmia Bharat Ltd ₹0.02 Cr (Previous Year Nil)

15. Interest received includes transactions with Calcom Cement India Limited ₹8.83 Cr (Previous Year ₹16.37 Cr.), Adhunik Cement Limited ₹4.48 Cr (Previous Year ₹3.90 Cr)

16. Interest paid includes transaction with Dalmia Bharat Limited ₹ Nil (₹0.71 Cr)

17. Subscription to Equity Share Capital includes transaction with Calcom Cement India Limited Nil (Previous Year ₹145.00 Cr)

18. Warrant Application Money includes transaction with Calcom Cement India Limited Nil (Previous Year ₹0.01 Cr.)

19. Share Application Money includes transaction with Dalmia Bharat Cement Holdings Ltd ₹0.05 Cr (Previous Year Nil), Srirangam Securities & Holdings Ltd ₹0.05 Cr (Previous Year Nil)

20. Managerial Remuneration including sitting fees includes transaction with Sh. Jai Hari Dalmia, Sh. Yadu Hari Dalmia, Sh. Gautam Dalmia, Sh. Puneet Yadu Dalmia and Sh. Mahendra Singhi Totalling ₹7.57 Cr (Previous Year ₹13.49 Cr)

Balances outstanding at year end:

(₹ Crore)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate	Joint ventures	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loan/ Advances receivable	—	216.99	—	—	—	—	216.99
	(-)	(121.43)	(-)	(-)	(-)	(-)	(121.43)
Amounts receivable	—	11.35	0.72	4.28	—	0.01	16.36
	(0.61)	(20.50)	(0.17)	(4.28)	(-)	(0.07)	(25.63)
Amounts payable	18.19	—		(-)	0.95	1.92	21.06
	(10.24)	(0.08)	(2.48)		(10.70)	(0.93)	(24.43)
Advances For Warrants	—	0.01	—	—	—	—	0.01
	(-)	(56.74)	(-)	(-)	(-)	(-)	(56.74)

Note: Investment with related parties are disclosed in Note 13.

1. Loan/Advances receivable includes Dalmia Minerals & Properties Limited ₹50.02 Cr (Previous Year ₹ 45.75 Cr), Adhunik Cement Limited Nil (Previous Year ₹32.89 Cr), Calcom Cement India Ltd ₹111.65 Cr (Previous Year ₹2.01 Cr)
2. Amount receivable includes Dalmia Bharat Limited Nil (Previous Year ₹ 0.61 Cr), Adhunik Cement Limited ₹0.02 Cr (Previous Year ₹3.73 Cr.), Calcom Cement India Limited ₹11.23 Cr (Previous Year ₹16.77 Cr.), Khappa Coal Company Private Limited ₹4.28 Cr (Previous Year ₹4.28 Cr)
3. Amount payable includes Dalmia Bharat Limited ₹18.19 Cr (Previous Year ₹ 10.24 Cr), Sh. Puneet Yadu Dalmia ₹0.47 Cr (Previous Year ₹5.35 Cr.), Sh. Gautam Dalmia ₹0.48 Cr (Previous Year ₹5.35 Cr.), Keshav power Limited ₹1.74 Cr (Previous Year ₹ 0.82 Cr)
4. Advances for warrant includes Dalmia Cement Ventures Limited Nil (Previous Year ₹ 56.73 Cr), Calcom cement India Limited ₹0.01 Cr (Previous year ₹0.01 Cr)

48. Information in respect of Joint venture – Khappa Coal Company Private Limited

(₹ Crore)

S. No.	Particulars	2013-14	2012-13
1	Proportion of Ownership Interest	36.73%	36.73%
2	Country of Incorporation or Registration	India	India
3	Accounting Period ended	31.03.2014	31.03.2013
4	Current Assets	0.42	0.47
5	Non-Current Assets (including capital work in progress)	5.70	5.65
6	Current Liabilities	—	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.

49. In 2011-12 the Company had initially acquired 14.59% stake in Calcom Cement India Limited (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a Company owned by the erstwhile promoters of Calcom) and the erstwhile promoters of Calcom. During the year 2012-13, revised agreements were entered in to increase the Company's nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with the Company, to be released at a future date upon satisfaction of certain conditions. The 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 15,449,292 equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Company has an option either to get the debentures redeemed for an aggregate amount of ₹ 59.00 Crore or convert into equity shares constituting 99.99% shareholding of SSPL.

Apart from the above investments, the Company has granted loans to Calcom to the extent of ₹ 111.65 Crores (excluding interest accrued and advance recoverable of ₹ 11.23 crore) as at March 31, 2014 to fund its ongoing Projects as well as losses.

Calcom has incurred losses of ₹ 27.66 crore during the year ended March 31, 2014 and has accumulated losses of ₹ 233.13 crore as at March 31, 2014. Keeping in view of its nature of long term strategic investment, no impairment has been considered for carrying cost of investments and loans/ receivables given to Calcom.

50. During the year 2012-13, the Company had 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 had initially acquired 77.50% shares and the balance 22.50% shares were 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 had paid a total amount of ₹361.84 crore till 2012-13. On satisfaction of certain conditions, an additional consideration of ₹86.10 Crore was paid to the sellers of Adhunik to acquire balance 22.50% stake during the year, making it 100% Subsidiary Company.

Adhunik has incurred losses of ₹ 69.52 crore during the year ended March 31, 2014 and has accumulated losses of ₹ 286.30 crore as at March 31, 2014. However, keeping in view of strategic long term nature of investment, no diminution has been considered in carrying cost of investment in shares of Adhunik.

51. During the year, a Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 involving amalgamation of the wholly owned subsidiary, Dalmia Cement Ventures Ltd ('DCVL'), with the Company was approved by the Hon'ble High Court of Delhi on September 5, 2013 and Hon'able High Court of Judicature at Madras on November 13, 2013 with effect from appointed date of April 1, 2012. DCVL was in the process of setting up cement plants for its operations.

The amalgamation has been accounted for under the Purchase Method as prescribed under Accounting Standard 14 'Accounting for Amalgamations' notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment has been given as under:-

a) In accordance with the approved scheme, the authorized share capital of DCVL is added to the authorized share capital of the Company.

b) Entire business and all the assets and liabilities of DCVL as at April 1, 2012 have been transferred and recognized by the Company at their respective fair values as on appointed date

c) As DCVL was a wholly owned subsidiary, the investment in 161,711,000 equity shares and 567,289,000 convertible warrants of DCVL stood cancelled and no separate consideration was paid by the Company to the shareholders of DCVL.

d) Resultant net increase in fair value of assets and liabilities over cost of investment in DCVL has been transferred to Business Restructuring Reserve.

e) Debit balance in the Statement of Profit and Loss of DCVL as at April 1, 2012 of ₹ 36.85 crore has been adjusted against the said Business Restructuring Reserve.

f) The details are as under:

	Assets taken over (at fair value)	₹ 263.30 crore
	Liabilities taken over (at fair value)	₹ 10.84 crore
	Net Assets acquired at fair value	₹ 252.46 crore
g)	Less: Cost of Investment in DCVL	₹ 219.19 crore
h)	Less: Expenses on amalgamation	₹ 0.22 crore
i)	Transferred to Business Restructuring Reserve	₹ 33.05 crore

j) As the accounts for DCVL for the year ended March 31, 2013 were finalized as a separate entity, the loss after tax of ₹ 0.28 crore for the period April 1, 2012 to March 31, 2013, have been accounted for as an 'exceptional item' in the financial statements for the current year, while profit for the period from April 1, 2013 is included in the current years' statement of profit and loss of the Company.

52. The Company, in joint venture with Sun Flag Iron & Steel Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29,2009 for development of coal mine and use of coal for captive mining.

Vide their letter dated January 6,2014, after a preliminary enquiry, the Government has de-allocated the said coal block allocated to the Joint Venture Company, Khappa Coal Company Private Limited ('KCCPL'), on the ground of alleged delays in the achievement of milestones mentioned in their allocation letter.

The Company disagrees with the assessment of the Government in this regard and believes that it is in substantial compliance of all milestones and no milestone completion is pending at its end.

The Company has made an investment of ₹ 1.84 crore in shares of KCCPL and given advance against share application money of ₹ 4.28 crore as at March 31, 2014. State Bank of India has also given a Bank Guarantee of ₹ 3.90 crore in favour of Ministry of Coal, against which the Company has issued a Deed of Guarantee of ₹ 4.00 crore in favour of State of Bank of India as a counter guarantee.

The Company has filed a Writ Petition under Article 226 of the Constitution of India, before the Nagpur Bench of Bombay High Court for setting aside the Order of the Government in de-allocating the said coal block. The High Court vide their interim order dt. 16-1-14 has stayed the invocation of bank guarantee. The management is confident of resolution of the matter in its favour and no adjustments are considered necessary in the financial statements in this regard.

53 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 28 of debt listing agreement)

(₹ Crore)

Particulars	Outstanding amount as at end of financial year 2013-14	Maximum amount outstanding during financial year 2013-14	Outstanding amount as at end of financial year 2012-13	Maximum amount outstanding during financial year 2012-13
Loans and Advances to subsidiaries:				
Calcom Cements India Limited	111.65	111.65	2.01	147.01
Adhunik Cement Limited	—	47.40	32.89	95.52
Rajputana Properties Pvt. Ltd.	1.01	1.01	—	—
Golden Hills Resorts Pvt. Ltd.	0.52	0.52	—	—
Dalmia Minerals and Properties Ltd.	50.02	50.02	45.75	45.75
Ishita Properties Limited	4.42	4.42	4.42	4.47

Note: Investment in subsidiaries and associates are disclosed in Note 13.

54. On March 24, 2014, the Company has entered into Share Purchase Agreement with Jaiprakash Associates Limited (JAL) for acquisition of its 74% stake in Bokaro Jaypee Cement Limited. No payments have been made during the year, which is expected to be made on getting requisite regulatory approvals and fulfilment of conditions precedent as prescribed in the said Share Purchase Agreement.

55. 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".

56. 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 14, 2014

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 14, 2014

For and on behalf of the Board of Directors of
Dalmia Cement (Bharat) Limited

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Manisha Bansal
Company Secretary

Subsidiary Company			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		31-3-2014	31-3-2014	31-3-2014	31-3-2014	31-3-2014
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 31-3-2014 (Rs.)	1,97,241	(-) 54,726	(-) 61,553	(-) 33,595	(-) 25646
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	5,52,553	97,823	2,97,111	(-) 64,378	(-) 20,507
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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

Subsidiary Company			Sri Shanmugha Mines & Minerals Limited	Sri Subramanya Mines & Minerals Limited	Ishita Properties Limited	Hemshila Properties Limited	Geetee Estates Limited
1.	Financial year ending		31-3-2014	31-3-2014	31-3-2014	31-3-2014	31-3-2014
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 31-3-2014 (Rs.)	(-) 52,028	(-) 33,483	82,515	(-) 67,530	(-) 7,106
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	1,88,431	(-) 55,527	(-) 4,22,41,745	3,561	3,66,870
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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

STATEMENT ATTACHED TO BALANCE SHEET
as at 31st March, 2014 pursuant to section 212 of the companies Act, 1956

Subsidiary Company			Sri Swaminatha Mines & Minerals Limited	Sri Trivikrama Mines & Properties Limited	Sri Madhusudana Mines & Properties Limited	Sri Dhandau-thapani Mines & Minerals Limited	Dalmia Bharat Cements Holdings Limited
1.	Financial year ending		31-3-2014	31-3-2014	31-3-2014	31-3-2014	31-3-2014
2.	Date from which it became a subsidiary		01-04-2010	01-04-2010	01-04-2010	01-04-2010	25-03-2014
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 31-3-2014 (Rs.)	(-) 41,161	(-) 54,869	(-) 33,525	(-) 18,059	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	95,745	(-)32,512	1,70,005	42,938	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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

Subsidiary Company			Golden Hills Resort Private Limited	Rajputana Properties Private Limited	Sutnga Mines Private Limited	Cosmos Cements Limited	Shri Rangam Securities & Holdings Limited
1.	Financial year ending		31-3-2014	31-3-2014	31-3-2014	31-3-2014	31-3-2014
2.	Date from which it became a subsidiary		01-04-2010	01-04-2010	01-04-2010	01-04-2010	25-03-2014
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 31-3-2014 (Rs.)	(-)47,701	(-)13,490	(-)4,192	(-)78,926	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	(-) 4,07,524	(-)1,97,707	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 31-3-2014 (Rs.)	Nil	Nil	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil

STATEMENT ATTACHED TO BALANCE SHEET
as at 31st March, 2014 pursuant to section 212 of the companies Act, 1956

Subsidiary Company			Adhunik MSP Cement (Assam) Limited	Adhunik Cement Limited	Calcom Cement India Limited
1.	Financial year ending		31-3-2014	31-3-2014	31-3-2014
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		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 31-3-2014 (Rs.)	Nil	(-) 61,67,86,449	(-) 20,91,78,697
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	(-) 9,45,90,092	(-) 3,56,50,328
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 31-3-2014 (Rs.)	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil

Subsidiary Company			RCL Cements Limited	SCL Cement Limited	Vinay Cement Limited
1.	Financial year ending		31-3-2014	31-3-2014	31-3-2014
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		75.63%	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 31-3-2014 (Rs.)	(-) 2,03,71,276	(-)2,45,06,232	(-) 14,57,64,090
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	(-) 6,87,65,954	(-)89,66,608	(-) 7,93,28,688
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 31-3-2014 (Rs.)	Nil	Nil	Nil
	(b)	For the previous financial years since it became Company's Subsidiary (Rs.)	Nil	Nil	Nil

New Delhi
Dated: 14.05.2014

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Jayesh Doshi
Executive Director
(Corporate Finance & Strategy)

Manisha Bansal
Company Secretary

STATEMENT ATTACHED TO BALANCE SHEET
as at 31st March, 2014

(₹ 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	37.66	50.57	1.67	(1.82)	3.05	0.67	2.47	(343.96)	29.30	39.69	16.14	10.82
Total Assets	64.65	989.66	7.15	5,005.43	8.53	836.53	532.87	102.84	681.31	649.28	263.58	612.92
Total Liabilities	1.99	914.09	0.48	5,002.25	0.48	830.86	525.40	441.80	627.01	604.59	242.44	597.10
Investments	-	50.56	-	1,250.18	-	-	-	49.50	42.29	-	-	-
Turnover/ Total Income	3.36	0.38	-	-	0.36	0.11	-	5.76	0.23	0.80	0.49	0.00
Profit/ (Loss) Before Taxation	2.45	(0.55)	(0.62)	(0.34)	(0.26)	(0.52)	(0.33)	1.75	(0.68)	(0.07)	(0.41)	(0.56)
Provision for Taxation	0.48	(0.00)	(0.00)	-	-	-	-	0.92	(0.00)	(0.00)	(0.00)	(0.01)
Profit/ (Loss) After Taxation	1.97	(0.55)	(0.62)	(0.34)	(0.26)	(0.52)	(0.33)	0.83	(0.68)	(0.07)	(0.41)	(0.55)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

(₹ Lakhs)

Name of Subsidiary Company	Sri Madhusudana Mines and Properties Limited	Sri Dhandauthapani Mines & Minerals Limited	Golden Hills Resort Private Limited	Rajputana Properties Private Limited	Sutnga Mines Private Limited	Cosmos Cements Limited	Dalmia Bharat Cements Holdings Limited	Shri Rangam Securities & Holdings 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	94.00	1.00	200.00	1,400.00	5.00	5.00	3,294.50	24.50	40,339.32	363.32	297.48	1,889.99
Reserves & Surplus	24.08	9.05	6.54	(0.13)	(3.43)	(23.98)	-	-	9,605.54	175.50	(23,313.34)	1,351.57	(1,481.81)	(6,165.64)
Total Assets	632.00	14.90	153.33	105.77	220.03	4,915.90	5.00	5.00	89,102.29	213.97	105,366.86	3,992.87	1,509.38	9,042.11
Total Liabilities	602.92	0.85	52.79	104.91	23.46	3,539.88	-	-	76,202.25	13.97	88,340.88	2,277.98	2,693.71	13,317.76
Investments	-	-	-	-	163.32	-	-	-	200.00	-	7,276.31	3,106.84	-	5,312.38
Turnover/ Total Income	0.54	0.68	-	-	23.54	0.01	-	-	43,748.93	-	19,167.70	202.26	225.91	1,784.70
Profit/ (Loss) Before Taxation	(0.33)	(0.19)	(0.50)	(0.14)	(0.04)	(0.79)	-	-	(6,952.19)	-	(2,765.82)	(245.09)	(324.03)	(1,956.57)
Provision for Taxation	0.00	(0.01)	(0.02)	(0.00)	-	-	-	-	-	-	-	24.26	-	26.35
Profit/ (Loss) After Taxation	(0.34)	(0.18)	(0.48)	(0.13)	(0.04)	(0.79)	-	-	(6,952.19)	-	(2,765.82)	(269.35)	(324.03)	(1,982.92)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-


Dalmia
Portland Pozzolana Cement
Dalmia Cement

dickenson www.dickensonworld.com

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