

As the planet  
grapples with  
climate change...



We achieved  
the lowest  
carbon footprint  
in the cement world.

## About Dalmia Bharat Limited

Dalmia Bharat Limited (DBL) has been engaged in nation building through the manufacture of quality cement since 1939.

The Company is one of the leading cement players in India, the world's second largest cement manufacturing nation.

The Company enjoys market leadership with growing market share and is a pioneer in super speciality cement used in the lining of oil wells, railway sleepers and air strips, among other customised downstream applications.



Mr. Mahendra Singhi, Group CEO Cement, Dalmia Cement (Bharat) Ltd. with Mr. H. E. Ban Ki Moon, Secretary General, United Nations at the Paris Climate Agreement signing ceremony.

### Responsible global citizen

- Dalmia Bharat plays a leadership role in combating the challenges arising out of climate change.

- Dalmia Bharat, represented by Mr. Mahendra Singhi (Group CEO, Cement), was invited to the historic Paris Climate Agreement signing ceremony by

Mr. H. E. Ban Ki-moon (Secretary-General, United Nations).

- This historic event recorded 174 countries and EU signing the landmark agreement in the course of a single day.

- The agreement is widely considered to be a key milestone in the transformation of the world to a low carbon environment

through the use of low carbon technologies.

- What made this occasion special for Dalmia Bharat was that the company was one of only two Indian companies represented the country's vast business sector at the Paris Climate Agreement signing ceremony.

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Our drive, discipline and  
determination paid off.  
We achieved the lowest carbon  
footprint in the world.



The lowest specific net CO<sub>2</sub> emission (kg per ton of  
cementitious material) in the world.\*






*\*Achieved by Eastern Operations, 2015-16*

At Dalmia Bharat, cement is not only the product that we manufacture and market.

Cement forms an essential element of our character emphasising passion, thought leadership and performance.



We brought to the fore  
a distinctive passion.

- The courage to add **capacity**. 
- The passion to **perform**. 
- The determination to make improvements **sustainable**. 
- The discipline to take **bold decisions**. 
- The foresight to multiply best **practices**. 

Investment in **cutting-edge technologies**

Consuming wastes to reduce **costs**

Conviction that a green business is a **profitable business**

Linking green initiatives to **superior financial performance**

Playing thought-leadership **role in the sector**

Teamworking around a **core green agenda**

# Dalmia Bharat Limited

Global environment **management alliances**

Entire organisation driven by a **core green agenda**

Ongoing carbon **footprint monitoring**

Periodic carbon footprint reporting to **all stakeholders**

Clearing all statutory environment **audits and inspections**

Benchmarking environment standards **beyond statutory needs**

Extending  
green to all  
**processes**

Continuous  
training  
around **green  
initiative**

# mia

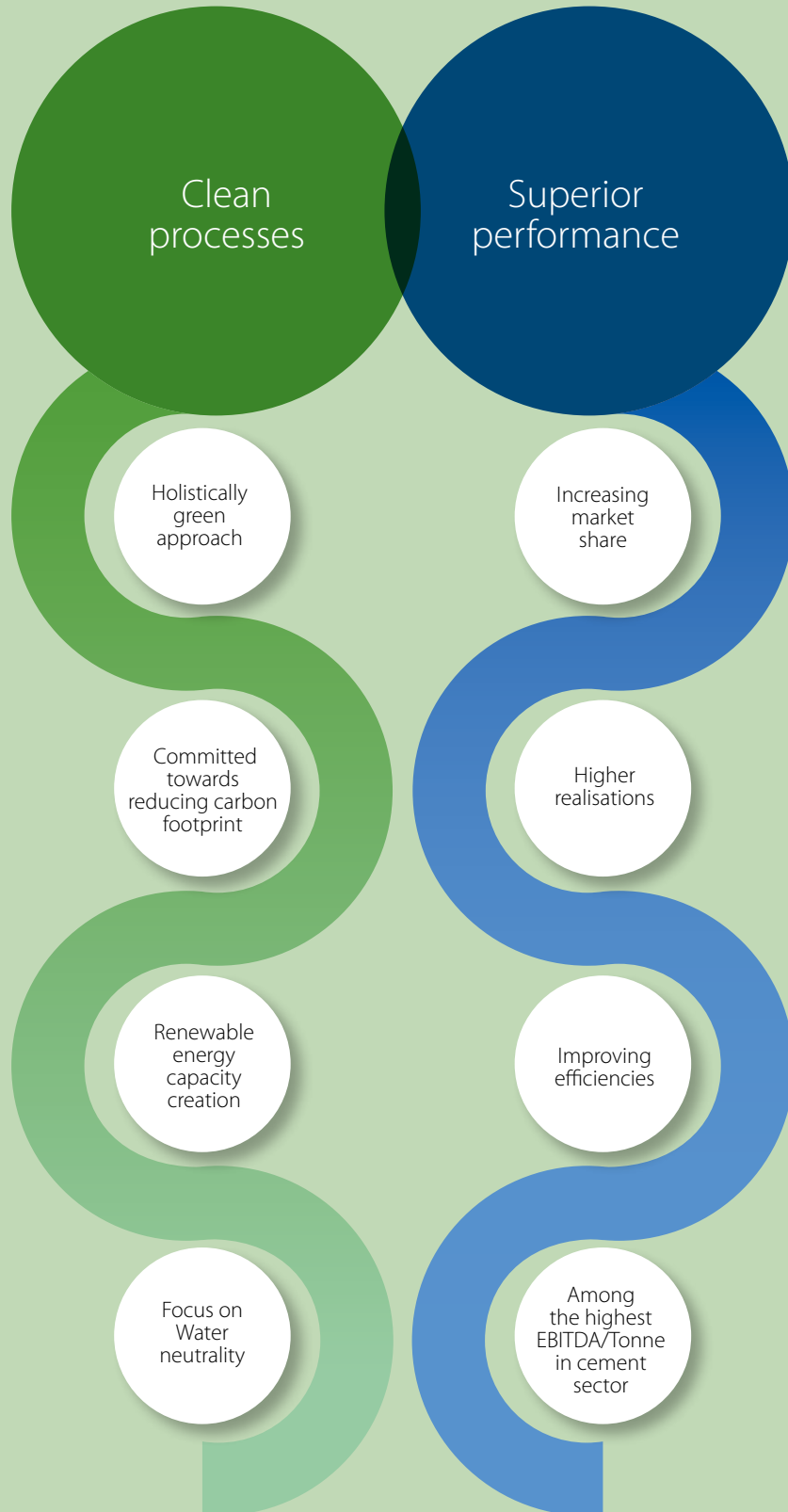
# ted

Driven by a  
singular vision  
to be a **global  
benchmark**

At Dalmia Bharat, the ability to achieve the lowest carbon footprint in the world was derived from innumerable hours of brainstorming, hundreds of initiatives, dozens of breakthroughs and a singular idea : **'Green processes and practices lead to a sustainable increase in revenues and profits.'**

Focus on  
reporting the  
lowest **global  
carbon  
footprint**

At Dalmia Bharat, our business focus is concised in two sentences.





## Superior performance 2015-16

**16%**

reduction in carbon footprint

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**69%**

increase in EBITDA

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**50%**

growth in EBITDA per tonne

---

**9x**

increase in profit after tax

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**“Passion underlines our commitment to deliver through sustainable innovative measures.”**

Mr. Puneet Yadu Dalmia and Mr. Gautam Dalmia, Directors of Dalmia Bharat Limited, highlight the Company’s strategic direction

*Dear Shareholders*

We believe that when you see passion in people and you provide them with an autonomous environment to support innovation, this enhances pride amongst employees. This pride enables employees to challenge their own assumptions and build a culture of consistent improvement in productivity.

The FY16 performance of the Group was yet another validation of our distinctive passion and a reflection of our resolve to outperform every single proprietary and sectoral benchmark.

During the year under review, the national economy grew 7.6 per cent and the country's cement sector grew 5.3 per cent. We are pleased to state that our volumes grew by 19 per cent, revenues grew by 20 per cent and EBITDA grew by 69 per cent over the previous year even as the external environment remained challenging.

The Group's passion prevailed. Challenges were accepted; targets scaled; team working strengthened; best practice transfers intensified; morale enhanced.

The Group emerged as one of the fastest growing and operationally one of the most efficient player within the industry. The Group reported one of the industry's highest EBITDA per tonne of cement sold. The Group delivered one of the lowest variable costs per tonne of cement manufactured and achieved a continuous reduction in its carbon footprint.

It is this holistic delivery – not just one or two areas but across the corporate ecosystem – that has underlined the Group's position as one of the most exciting cement brands in India. Our success lies in enhancing value for our entire family of stakeholders, a sign of

responsible success in the global cement industry.

In FY16, we strengthened the quality of our business across various operating fronts.

**Strategic:** DBL acquired KKR's stake in DCBL and brought KKR in as a shareholder in Dalmia Bharat Limited (8.4 per cent), making it the largest foreign institutional investor. KKR strengthened its association with Dalmia and this transaction helped in making the organisation's corporate structure linear.

**Brand Equity:** We built a stronger equity for our brand, positioning ourselves stronger coupled with a significant volume increase. We enhanced the premium of blended cement realisations over competing brands and moved products faster by building trust across different consumer segments. We marketed our products better and generated higher realisations.

**Sustainability:** We attained water-neutrality in one of our plants with the target of being water-neutral across all integrated operations by December 2017 and also aligned to faster realisation of Sustainability Development Goals (SDGs) near our manufacturing locations. We are pleased to share that we are now recognised among the most efficient cement manufacturing groups in India, leveraging a prudent combination of scale

(25 MnT), and presence across 18 states.

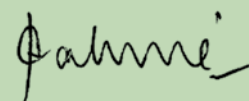
**Outlook:** Going ahead, we are optimistic of our prospects in the light of the expectation of India growing faster than other countries. We are completely invested to address growth in domestic cement consumption. The country's infrastructure sector appears to be turning around, starting with robust growth already beginning to emerge from the roads segment.

The Group possesses attractive operating leverage (effective capacity utilisation was close to 60 per cent for the Group at the close of FY16), which means that we would be able to scale with speed to address every demand upturn. Our capacity addition at Belgaum (Karnataka) and Umrangshu (Assam) will add to our operating leverage. We strengthened our competitive positioning while retaining our focus on inclusive growth. We are committed to enhance the strength of our Balance Sheet by generating improved and sustainable cash flows.

We take this opportunity to thank all our employees for their dedication and commitment. We would also like to thank our vendors, business associates, partners, lenders and other stakeholders for their support. We sincerely thank our Board of Directors for their invaluable governance contribution.



Gautam Dalmia  
Director



Puneet Yadu Dalmia  
Director

*"The Group is committed to inclusive growth"*

# Our passion is ignited by three words: 'It won't work'.

In most walks of life,  
pessimists are shunned.

*At Dalmia Bharat,  
we seek them out.*

Each time someone says,  
'This appears too challenging,'  
we go out and execute.

*Each time someone sagely pronounces,  
'The idea is far ahead of its time,'  
we accelerate.*

Each time someone says,  
'You are aiming too high,'  
we say thank you.

***To do what others are not doing...  
That is Dalmia Bharat.***

# We saw opportunities where others perceived challenges.

India's cement industry grew 5.3 per cent in 2015-16.

*We grew our sales volume by 19 per cent in 2015-16.*

Most regional players ceased investments during the current down cycle.

*We achieved scale and grew capacity at a CAGR of 23% over last five years to capitalise on the impending upcoming upcycle*

Most companies attempted a modest reduction in carbon footprint.

*We registered arguably the lowest carbon footprint.*

Most companies hinted of increasing competition.

*We increased market share for the third year in a row.*



Most companies complained of stressed Balance Sheets.

*We strengthened net debt: EBITDA to 3.9x from 6.8x*

Most companies targeted cost maintenance.

*Dalmia Group reduced variable cost of cement manufacturing for the third consecutive year.*

Most companies complained of commoditisation.

*We increased brand-led revenues by enriching our product portfolio.*

Most companies complained of depressed profitability in the last three years.

*We improved profitability year-on-year (FY14-FY16) through innovative measures.*

# Our business

## Strength in scale

The Dalmia Group's manufacturing facilities are spread across 11 locations across eight Indian states with an installed capacity of 25 million tonnes per annum.

## Strength in spread

The Group addresses the growing demand for cement across 18 states in India. The Group is addressing a growing cement appetite in East and North East India comprising states like Orissa, West Bengal, Jharkhand, Bihar and North Eastern India. It is also addressing attractive markets in South India covering states like Tamil Nadu, Karnataka, Kerala, Andhra Pradesh and Maharashtra. These locations are proximate to raw material and cement consuming markets, making it possible to maintain our lead servicing distance below 300 km.

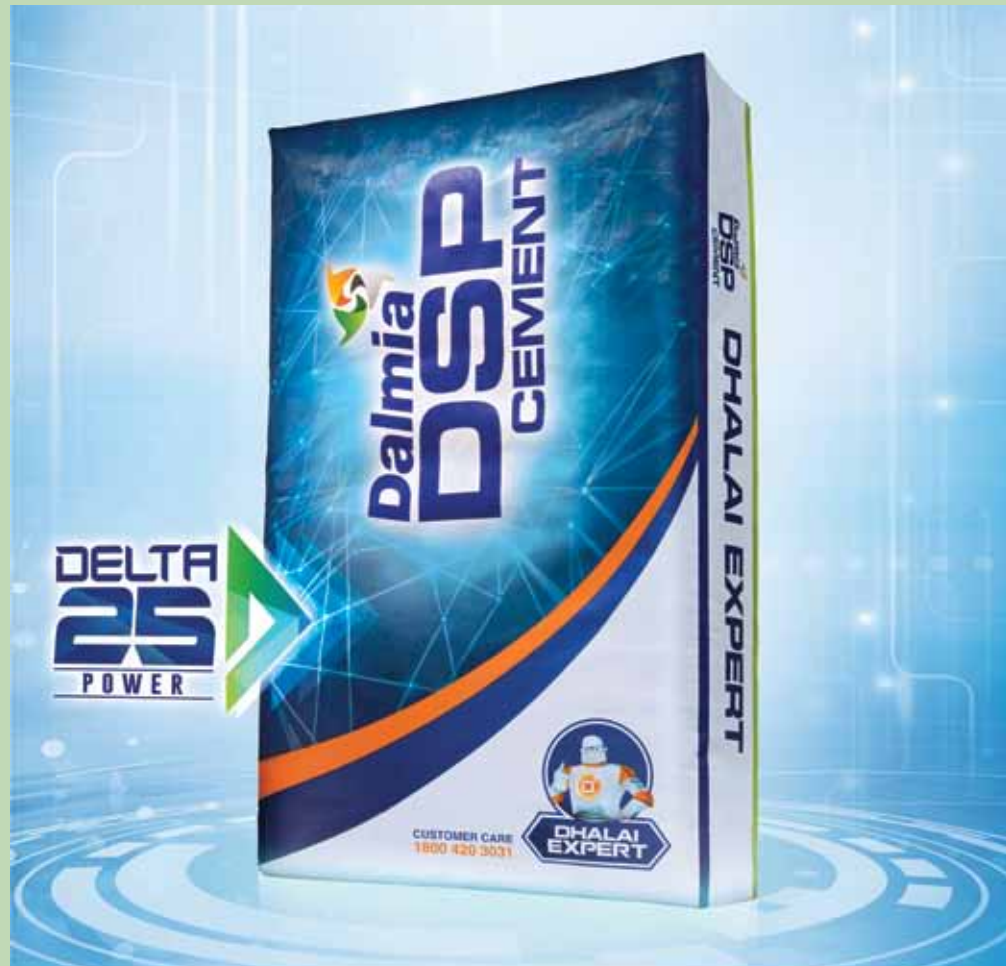
## Strength in scale

The Group has created 52 per cent of its present-day manufacturing capacity through acquisitions. Our average capital deployment cost for acquired assets is less than USD 100 per tonne, compares favourably with a greenfield commissioning cost of USD 140 per tonne. The acquisitions complement our existing facilities in terms of resource and market linkages, resulting in stronger brand effectiveness and realisations.

## Strength in brands

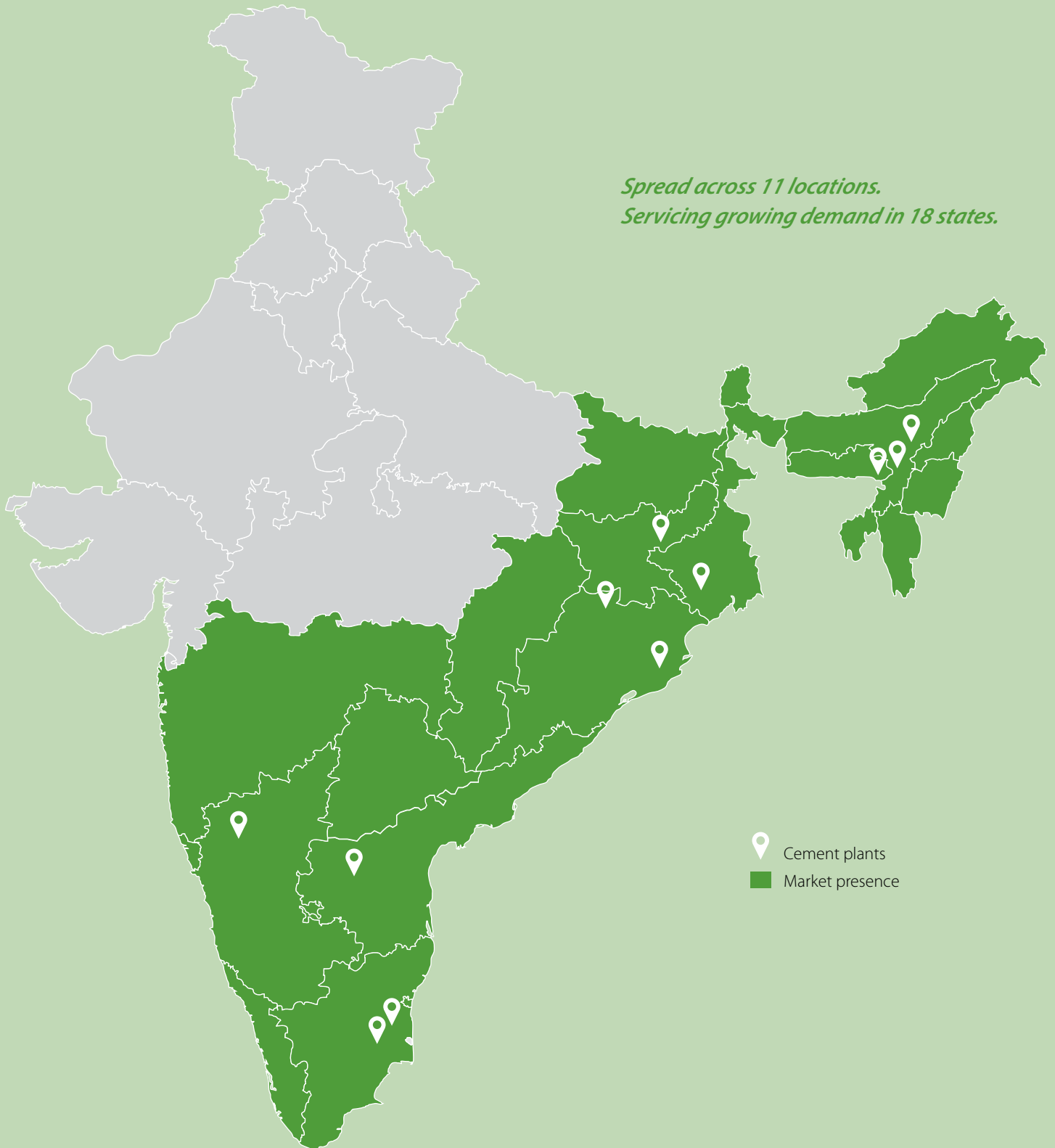
The Group is a multi-spectrum cement player enjoying market leadership through the pioneering manufacture of super specialty cements used in the lining of oil wells, railway sleepers and air strips, among other customised downstream applications.

Our brands comprise **Dalmia DSP**, **Dalmia**, **Dalmia Ultra**, **Dalmia Super Roof**, **Vajram** and **Konark**. Our brands are positioned as premium across all our existing markets.



## Our geographical spread

*Spread across 11 locations.  
Servicing growing demand in 18 states.*



# Passion. Perseverance. Performance.

Higher sales volume  
(MnT)



Grew faster than the industry; our volumes improved 19% YoY in FY16 as against 5.3% cement industry growth.

Market share in  
operating markets



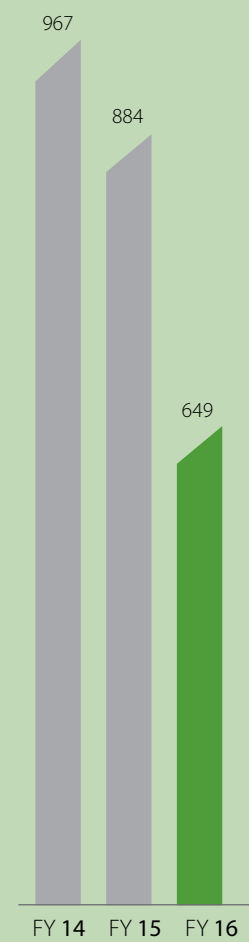
Consistent growth in market share following a focused approach.

Gross operating  
income (₹ in cr)



17% YoY growth in FY 16.

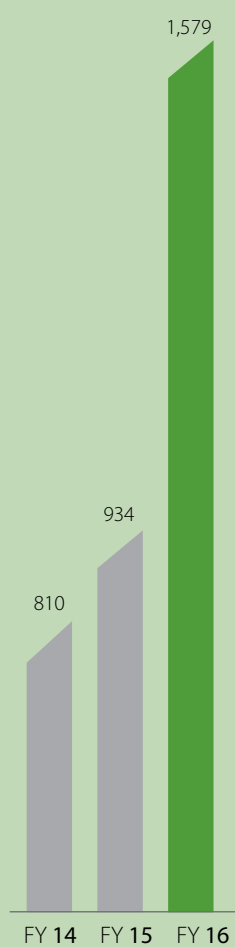
Power & Fuel costs  
(₹/T of cement)



Flexible fuel mix helped reduce energy costs.

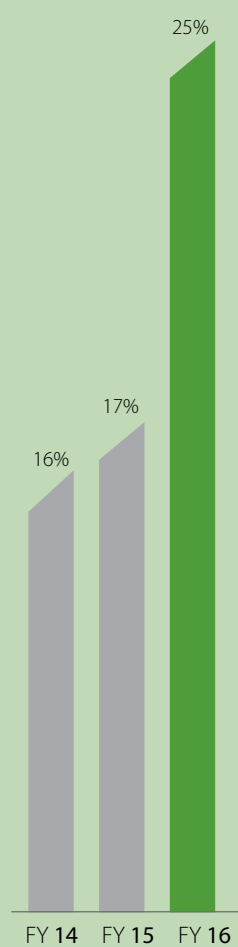


### EBITDA (₹ cr)



EBITDA growth of 69% YoY in FY16 through the adoption of best practices.

### EBITDA margin (%)



Improved efficiencies led to higher margins.

### Gross Fixed Assets\* (₹ Cr.)



Strategic capacity addition led by a prudent mix of organic and inorganic expansions.

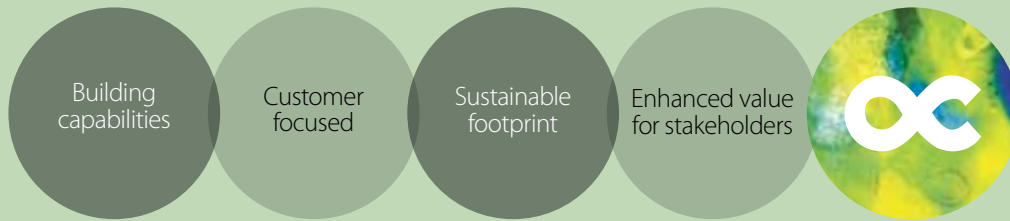
### Net Worth (₹ Cr.)



Growth driven by sustainable efforts.

\* including CWIP

# Vision & Values



In India's cement industry, the on-going challenge is whether to address the needs of the present or respond to the requirements of the future.

Most companies responded to this challenge in the most usual way: address largely the realities of the day; respond partly to the needs of the future.

At Dalmia Bharat, we surprised. We prioritised both. We reposed faith in the economy's potential. We twenty-folded capacity in less than a decade and positioned ourselves as a value player in the country.

When we articulated this, the one word that pessimists pronounced was 'reckless'.

We proceeded undeterred around a simple approach: 'Believe in the future.'

The erstwhile dismissiveness is replaced by an eager curiosity: 'Wonder what Dalmia Bharat is now doing.'

## Review

India's cement sector is perched at an attractive opportunity. The country's infrastructure sector is at the cusp of unprecedented growth, strengthening prospects for a number of proactive industry players.

We are opportunity-prepared through proactive investments in the various building blocks of our business.

We are in existence to enhance stakeholder experience through sustained outperformance. Over the last few years, even as the country's economy and cement industry continued to be sluggish, the Group decisively enhanced value.

**Capacity-ready:** In the cement sector, success is inevitably derived from the prudent management of scale, which makes it possible to enrich brand building and other investments. The Group grew

its installed capacity from 1.2 MnT to 25 MnT in less than a decade, resulting in the fastest capacity growth by any cement Group in India. Our effective capacity utilisation of 60 per cent in 2015-16 represented attractive opportunity-readiness in the event of an economic rebound.

**Operating profit (EBITDA):** The Group's progressive investments in capacity and capability growth translated into an increase in operating profit in 2015-16, the highest in the Group's existence. Operating profit increased a substantial 69 per cent - from ₹934 cr in 2014-15 to ₹1579 cr in 2015-16 following improved sales and operating efficiencies.

**Standards:** The Group set global KPI standards to strengthen resilience across market cycles marked by a flexible cost structure, higher blended cement

proportion and lower power consumption per tonne of cement.

**Market presence:** The Group's improved performance and outlook were derived from a widening market footprint and deepening presence in each of the markets of the company's presence close to demand clusters, enhancing market share. The combination of width and depth translated into outperformance - 18% market share in North Eastern India (second highest), 14% market share in Eastern India (third highest) and 7% share in Southern India (among the top five).

## Outlook

We expect that an increase in capacity utilization, brand effectiveness and cost management will enhance efficiencies, lower our carbon footprint and increase community engagement in the areas of our presence.

## The challenges encountered

- Sustained economic slowdown
- Large costs in becoming future-ready
- High cost of debt
- Strengthen brand loyalty across markets

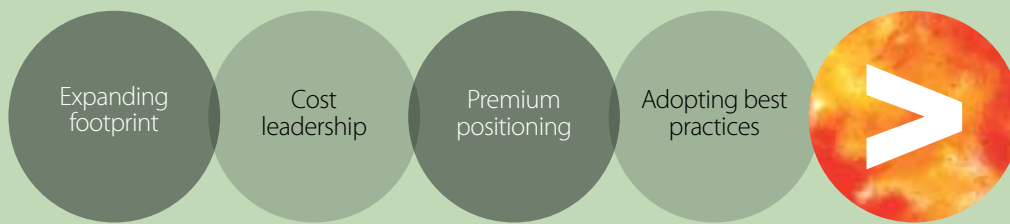
## How our passion made the difference

- Invested in the business ahead of the business curve
- Focused on cost-leadership across market cycles
- Lower debt cost & higher operating profits
- Built an overarching brand around dependability and nation-building

# Our Vision



# Competence & Competitiveness



At Dalmia Bharat, we recognised that a mere scaling of our business would not be enough; a range of initiatives was required to enhance competitiveness and preparedness.

Convention discouraged. Skeptics abounded.

Dalmia Bharat responded unconventionally.

Set audacious goals broken into components.

Created focused and motivated teams.

Unbelievable things followed.

Sales volumes outpaced sectoral growth 4x in 2015-16.

Blended cement sales increased to 80 per cent. The cement-clinker ratio for blended cement is among the industry's highest (2.1x). Conversion costs declined to one of the lowest in India's cement industry.

And, having cracked a longstanding riddle, the various teams now consistently offer a five-word outlook.

'This is only the beginning...'

## Review

For the last few years, the country's cement sector has been passing through a competitive phase marked by capacity increases on the one hand and sluggish demand offtake on the other. Instead of waiting for demand and realisations to increase, we selected to invest proactively and strengthen our competitiveness instead.

**Asset utilisation:** In a capital-intensive business, competitiveness is principally derived from the ability to maximize capacity utilization. Over the last few years, the Group encountered a number of challenges: as the Group acquired a number of cement manufacturing plants and companies, it was required to examine operational blockers in each, transfer best practices and integrate the various operating cultures into an

overarching Dalmia Bharat discipline. These challenges notwithstanding, the Group reported higher cement sales in each successive year: from 10.1 mn tonnes in FY14 to 10.8 mn tonnes in 2014-15 to 12.8 mn tonnes in 2016-17,

**Cost leadership:** In the cement sector, sustained cost-efficiency represents the bedrock of competitiveness across market cycles. The Group strengthened its cost leadership every successive quarter. Some of the visible signposts of cost moderation comprised a substantial increase in the use of petcoke and alternate fuels in the Group's fuel mix and among the highest cement-clinker ratios in the industry (implying lower clinker quantum use in the manufacture of cement). Over the last few years, the Group increased the proportion of slag and fly ash (both procured

cost-effectively) in the manufacture of blended cement, which helped reduce production costs without compromising product quality.

**Brand-driven:** In the cement sector, it is easy to dismiss the product as commodity. Over the last few years, Group strengthened its brand around dependability, premiumness and product specialization. As the country becomes increasingly brand-trusting, our brands are equipped to address market realities and outperform the sectoral growth average.

## Outlook

We are future-ready through proactive investments. As the national economy revives, the Group will be prudently placed to capitalize faster and effectively.

### The challenges encountered

- Increasing competition across markets
- Profitability under stress
- New brands in markets

### How our passion made the difference

- Seeded new markets; increased production
- Customised the product around specific applications, generating a premium
- Focused on high-realisation markets
- Enriched operational efficiencies; moderated costs

As on 31st March	2006	2011	2016
<b>Increasing scale</b>			
Installed capacity (MnT)	1	9	25
<b>Number of plants</b>			
Cement manufacturing plants	1	3	11

Year	FY14	FY15	FY16
Blended cement as % of total output	71%	74%	80%
Economic fuel as % of fuel mix*	15%	45%	73%
Variable cost (₹ / Tonne)	1,647	1,562	1,351

\* Pet-coke + alternate fuel



As India readies for unprecedented infrastructure investments...

We are attractively positioned to enhance scale and efficiency

We strengthened our market presence

We customised products around downstream needs

We invested in premium brand building

## Prudent & Proactive



**A few years ago, the Group needed to scale its business. Audacious, said the experts.**

The Group persisted. Explained its strategic direction. Articulated its big picture.

The tide turned; the company attracted equity financing from one of the largest global investment bankers; modified its corporate structure.

The Group concluded the best debt deals.

The result is that the Group pulled off what most considered impossible: 20-folding its manufacturing capacity in less than 10 years.

There is a new whisper doing the cement industry circles. **'Dalmia Bharat enjoys a significant competitive advantage.'**

### Review

In a business with sustainable multi-year growth possibilities, what one needs is a robust financial structure.

We recognise that our competitiveness is derived as much from our Balance Sheet as from scale and manufacturing efficiency. The result is that we progressively strengthened our financial team with specialized competence, we transparently shared business realities with financial partners and stakeholders, we negotiated debt in line with optimistic prospects, we enhanced our liquidity through Balance Sheet-strengthening and reduced our break-even point to a level where we may remain attractively profitable across market cycles.

Our finance team examined every single Balance Sheet component for its competitiveness and then set about graduating them to superior sectoral benchmarks.

**Equity restructuring:** The Company

acquired KKR's stake in DCBL and concurrently bring in KKR as DBL's largest institutional shareholder with 8.4% holding. The divestment of KKR made the corporate structure more linear, enhancing shareholder confidence.

**Debt tenure:** The tenure of debt has a direct influence on our liquidity. The longer the tenure of debt, the easier the repayment terms and more competitive our interest rates. Over the last few years, the Group not only assumed larger debt to grow the business, but also negotiated longer tenures with back ended debt structure, enhancing free cash availability in the initial years when capacity utilisation is usually lower.

**Debt cost:** In a capital-intensive business marked by the need to assume large debt to invest in capacity and working capital, even a moderate cost saving can have attractive profitability implications. In the last few years, the Group focused on linking the attractiveness of its story with

the pricing of its debt. The result is that the Group rationalized borrowing costs to 9.4 per cent in FY16.

**Debt availability:** The Group worked extensively with commercial banks (as opposed to financial institutions) to explain its vision and business model robustness. The Group mobilised debt for expansion, well below the rate benchmarks for such kinds of deployment.

**Debt currency:** The Group recognised the risk in mobilising low-cost loans in foreign exchange; it selected to mobilise all debt in rupee currency instead. The result is that the Group is foreign exchange-neutral and insulated from currency swings.

**Cash and cash equivalents:** The Group sustained its Balance Sheet through a prudent mix of equity and debt. The Group possessed cash and cash equivalents worth ₹2,721 crore on its books as on March 31, 2016.

## Result

The result of this extensive focus on Balance Sheet competitiveness is that even as challenges persisted in the country's cement sector, the Group moderated its indebtedness relative to revenues and earnings.

In FY 15, the Group's debt of ₹8,487 cr generated ₹6,241 cr of revenues; in FY 16, a similar debt quantum generated ₹7,328 cr of revenues, indicating that every rupee in debt was efficiently sweated.

This superior sweating of debt strengthened the critical net debt/

EBITDA ratio – from 6.8 in FY15 to 3.9 in FY16 – indicating a greater comfort in servicing debt even before the country's economic slowdown had ended.

## Outlook

We expect that a combination of increased capacity utilisation, enriching product mix, higher branded realisations and marketing with logistical efficiency will enhance surpluses that will be progressively used to pare debt, enhance liquidity, strengthen the Balance Sheet, increase cost leadership and reinforce organizational sustainability.

As on 31st March	2014	2015	2016
<b>Fiscal comfort</b>			
Capacity (MnT)	21	24	25
Gross debt (₹ Cr.)	5,046	8,487	8,893
Cash and cash equivalents (₹ Cr.)	975	2,111	2,721
Average debt cost (%)	11.0	10.0	9.4
Net debt/EBITDA (x)	5.0	6.8	3.9

## The challenges encountered

- Slowing economy, increase in stressed assets with subdued banking growth.
- High debt cost.
- Need to demonstrate Balance Sheet robustness before economic recovery

## How our passion made the difference

- Back-ended debt structure
- Moderated debt costs
- Increased average loan tenure
- Increased moratorium period
- Higher quantum of rupee-denominated loan as a % of long-term debt coupled with floating interest rates



Kadapa, Andhra Pradesh

As most Balance Sheets in India's cement sector struggled....

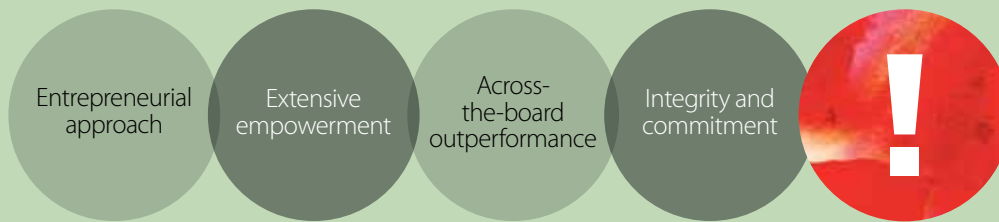
Raised optimum mix of debt and equity

Negotiated lower coupon rates, longer tenures and back-ended repayment

Improved cash flows

Enhanced overall liquidity

# People & Passion



**We are driven** by a dream that extends beyond jobs, functions, roles and designations.

It addresses something more fundamental in each one of us.

The passion to be what we can truly be.

People with pride. People who can transform the status quo. People who can perceive opportunities beyond the obvious. People empowered to think targets. People liberated to achieve them.

This cultural transformation has had interesting spinoffs. Our shopfloor executive responding with disappointment after record productivity because **'We could have done better'**. Our environment management team rejecting the pursuit of national benchmarks on the grounds that **'We need to be the best in the world'**. Our quality team emphasising that **'We need to be the gold standard'** when a benchmarking exercise was proposed.

This cultural transformation graduated us to one of the best cement plays in the Indian cement industry.

It all started in the mind.

## Review

We recognised the overarching need to create a spirit that would lead to sustained winning.

The challenges were considerable.

The organisation was middle-aged (average age 45); the Group inducted younger employees and senior managers, reducing the average organisational age to 34 in less than five years.

Most worked with an employee mindset; the Group focused on transforming to an entrepreneurial spirit.

There was a defensiveness in one's personality; the Group evoked an Indian pride, communicating a nation-building role.

There was need for career progression and succession planning; the Group identified 36 fast achievers, conducting an 18 month Star Programme that created a leadership pipeline.

Most individuals were concerned only with the immediate space that he or she contributed to; there was a reorientation towards how each individual's contribution connected to the larger whole.

The organisational decision-making was largely committee-driven and hence consensual; committees were completely replaced by delegation of responsibility and authority to competent professionals (**'internal entrepreneurs'**).

Effort was rewarded, but not impact; the Group removed the variable pay concept and enhanced financial security that would make people deliver their best.

The Group did not appear content with nominal improvements; it encouraged initiative-taking, focused on drawing learnings from failure (as opposed to criticism), propagated a 'New Think' tagline and highlighted the need for outperformance.

Most organisational roles were contained in silos; an overarching Dalmia philosophy of working was promoted over plant-centric operating cultures.

There was a general resistance to change; the Group matched competence / passion to role / function; under-performers were retrained under a performance improvement plan.

Training was largely theoretical; training now became completely experiential.

There was an organisational focus

on employee well-being; the Group extended to a focus to employee families and society as well.

## Cultural transformation

The Group graduated from hiring to plug vacancies to building capabilities and enriching its knowledge pool.

The Group began to live the **'we value people'** through a number of personalised initiatives.

The Group began to highlight employee contributions through a perspective of pre and post-engagement.

The Group emphasised performance delivery without losing its personalised touch.

## Performance enhancement

The Group retained knowledge capital more effectively; attrition was in single digit in FY16 and virtually nil at the senior management level.

## Outlook

We intend to enhance the entrepreneurial spirit by helping unleash the potential of everyone the Group touches.



We made a structural change from filling vacancies to building capabilities



### Doing things differently

The HR team has developed a competence in the cultural integration of acquired units, a function that would otherwise have been delegated to external agencies

The Group commissioned Nalanda in 2015 as a Leadership Learning and Change institution as distinct from a conventional training and development initiative



### The Lakshya Program

The Hi-touch Leadership Program, is a 15-month long exciting journey spread in 5 treks, meant for star performers- handpicked across the group- and aims at turning them into high impact business leaders. The program acts as a 'finishing school' for our top performers and creates a pipeline of high value leaders ready to fill critical slots in our CTB (critical to business) succession plan. Out of 27 participants from the cement business, 9 moved to the next level during the course of the program itself.

# Sustainable & Profitable



At the Dalmia Bharat Group, we believe that more important than the need to grow is the aspiration to grow responsibly. With each passing year, we deepened our inclusive growth. The more we invested in environment management initiatives, the better our profitability became. The more our environment compliances strengthened, the more competitive we emerged. Our power consumption declined; so did our costs. Our Group progressing towards water-neutrality; our sustainable footprint enhanced. Our blended cement output increased effectively; our limestone reserves life increased. Our petcoke and alternate fuels consumption increased; so did our margins. The result is that the Group emerged as one of the few Indian representatives at the Global Platform.

## Review

In India's cement sector, it is no longer important to only be profitable; it is as critical to be responsible as well.

We take pride in making business sustainability the pivot of our enduring success. The Group's manufacturing units are setting best practices in energy efficiency, alternative fuel utilization, incremental waste utilization and water conservation. Our cement operations have emerged as one of the global benchmarks for lowest carbon footprint.

Over the years, the Group has successfully showcased that less is indeed more. The Group has moderated the consumption of energy and finite minerals, strengthening its positioning as an earth-friendly organisation. Among other things, the Group's commitment has also been enshrined in its membership of the CSI Global Platform, an organisation of 25 of the most committed environment-friendly cement companies across the world. We are one of only three Indian companies

to be a part of Cement Sustainability Initiative, enhancing our international respect through some of the highest environment-respecting benchmarks in the global cement industry.

**Holistically sustainable:** The Group does not pride itself for improving revenues and profits alone; it is proud of its robust environment commitment and widening community engagement as well.

**Carbon footprint:** We are proud to report possibly the lowest carbon footprint among cement manufacturers in India. The group carbon footprint of 493 kg CO<sub>2</sub> /ton of cementitious material and about 330kg/ton of cementitious material for our Eastern operations delivers one of the least carbon-intensive cement operations in the world.

**Cement productivity:** Dalmia Bharat increased the proportion of blended cement in its overall product mix from 71 per cent in 2013-14 to 80 per cent in 2015-16. Blended cement is considered

more environment friendly over the usual cement varieties as it is produced by blending approved quantities of slag/flyash. Slag is the waste produced by steel plants and its use in cement has been as a cost-effective additive, helps in the conservation of limestone reserves. Fly ash is waste produced by coal based power plants; its increasing use in cement manufacture has helped in doing away with environmental problems in its disposal. The Group enhanced the use of flyash and slag in cement as compared to its historical benchmarks. This improved its cement-clinker ratio, an initiative undertaken to conserve the environment through better disposal of industrial waste, which otherwise would have been hazardous to the environment if left untreated.

**Alternate fuels:** Dalmia Bharat moderated the consumption of finite fossil fuels, which was achieved through the prudent substitution of fossil fuel types with industrial wastes like petcoke without

compromising environment compliances. Other alternative fuels comprised municipal waste, dolachar, carbon black and saw dust etc.

**Water-neutrality:** Dalmia Bharat embarked on a challenging target to moderate water consumption. In 2015-16, one of the Group plants attained water-neutrality; the Group intends to attain water-neutrality across all integrated plants by the end of CY17. The harvested rainwater was more than the annual consumption at the Kadapa unit

in 2015-16. Our CSR programmes near our manufacturing locations benefited more than 20,000 individuals and helped develop a cumulative water harvesting capacity of ~10 lakhs m<sup>3</sup> till FY 2015-16. Our Dalmia Bharat Group Foundation joined hands with the National Bank for Agriculture and Rural Development (NABARD) to implement an 8,500 hectare watershed management project in Tamil Nadu and Andhra Pradesh.

**Power consumption:** The Group moderated the consumption of power in the manufacture of cement, generally accepted as a standard efficiency benchmark within the sector. The Group reduced power consumption per tonne of cement manufactured from 74 units in 2013-14 to 67 units in 2015-16, establishing a new benchmark in the Indian cement industry.

## Responsible global citizen

France, as host country of the COP-21 Climate conference, has organized a series of high-level dialogues between the private sector and the governments: the Business dialogue. Dalmia Bharat was invited by the French COP Presidency for Business Dialogues represented by ministers and the global business leaders. A first session of the business dialogue was organized in Paris on May 20th, 2015 followed by New York on 25th September 2015 and in Tokyo on 6th October, 2015. After the three High-Level Business Dialogues, a detailed report with 10 key recommendations were presented to COP-21 by French COP Presidency including adoption of an internationally binding climate agreement for a global long term solution through up-scaling of low carbon technologies, low carbon operations and investments.

The fourth session of the High-Level Business Dialogue, attended by Mr. Singhi, was organized after COP-21 (on 10th June 2016) to discuss the carbon pricing and climate information disclosure.



Left to right: Mr. Mahendra Singhi, Group CEO Cement, Dalmia Cement (Bharat) Ltd. with the French President, Francois Hollande.

## The challenges encountered

- Resistance to the concept that carbon footprint can at all be moderated
- Resistance to allocate more time from business priorities

## How our passion made the difference

- Moderated carbon footprint even as the business grew
- Widened and deepened our community engagement

# Our global engagements in the area of sustainability

## Carbon Pricing Leadership Coalition

**(CPLC):** Coalition of 74 countries and more than 1,000 companies to expand the use of effective carbon pricing policies that can maintain competitiveness, create jobs, encourage innovation, and deliver meaningful emissions reductions.

## Cement Sustainability Initiative (CSI):

Global effort by 25 major cement producers (operations in 100+ countries) accounting for around 30% of the

world's cement production pursuing sustainable development.

## United Nations Global Compact

**(UNGC):** Principle-based framework (human rights, labour, environment and anti-corruption etc.) for businesses. Comprises of 8402 progressive companies from 162 countries.

**Caring for Climate initiative of UNGC:** A group of progressive companies working closely with the UN Global Compact,

positioning themselves to become leaders in the low-carbon market.

## Low Carbon Technology Partnership

**initiative:** Launched by World Business Council for Sustainable Development with Sustainable Development Solutions Network and International Energy Agency. Aims to present a series of concrete action plans for the large-scale development and deployment of low-carbon technologies.

These associations help in peer-to-peer information exchange, benchmarking performance with universally accepted indicators. Some sector-specific studies/guidance development also carried out by these groups. They drive business-friendly policies through sector-specific approach and periodic reporting.

## Our corporate initiatives

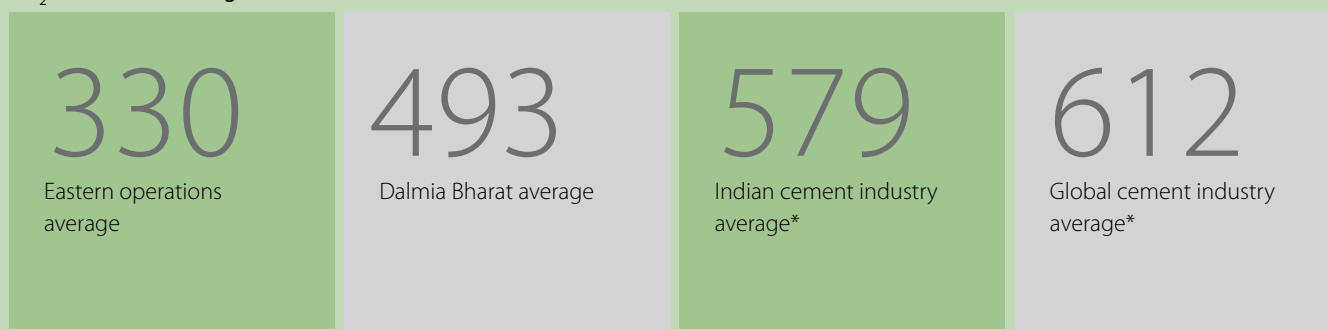
- Undertaken Low Carbon Technology Road Map study with IFC
- Reporting Sustainability efforts as per GRI G4, the latest reporting guidelines

## Awards for sustainability initiatives

- CII Sustainability Awards
- NCCBM (National Council for Cement and Building Materials) Environmental Excellence Awards

- BEE (Bureau of Energy Efficiencies) Energy Excellence Awards

## CO<sub>2</sub> emissions - net (kg/ton of cementitious material)



\* As per the GNR data published by CSI in 2016

## In line with a growing priority to enhance operational environment-friendliness...



# Our distinctive business model

The Group is not just one of the top four cement players in India; it is also one of the fastest growing cement Groups in the country. The company enjoys a market leadership in each region of its presence. It is among sectoral cost leader, having reported one of the lowest per tonne manufacturing costs in India's cement sector.

## Overarching culture



## Macro initiatives



## Micro initiatives





## Management discussion and analysis

### Indian economic overview

India has emerged as the world's fastest growing economy amongst major economies, ahead of China at 7.6%. The Central Government has taken a number of steps to attract domestic and foreign investments with a strong focus on promoting Make in India policy and building world-class infrastructure. Additional structural reforms to address legacy impediments to growth like GST implementation, UDAY (Ujwal Discom Assurance Yojana) - a revival package for electricity distribution companies, recognizing banks' NPAs and infusing capital into public sector banks under the 'Indradhanush' scheme, promoting skill enhancement training and revised policy on 'Housing for all' are some of the few initiatives that could help sustain strong growth in the coming years. The Central Government announced a record budgetary allocation of ₹2.21 lac crore for the infrastructure sector for FY17. The

year also witnessed the execution of new plans, with the government identifying 33 cities under its first phase of 'Smart Cities' mission.

In the current year, the rupee value of both exports and imports (of goods and services) are projected to decline, the former on account of the sluggish global demand and the latter due to a steep decline in international crude oil and commodity prices. In the wake of reined-in inflation and improved GDP growth, the Reserve Bank of India has reduced the repo rate and reverse repo rate twice during the year each by 0.75% to 6.75% and 5.75% respectively. The CPI inflation rate eased to 4.8% in March 2016 compared to 5.3% in March 2015. (Source: RBI, IMF, IBEF, MOSPI, Union Budget, World Bank)

### Cement industry overview

India, despite being the world's second largest cement producer, finds itself on the tail end of the global cement industry

curve with a per capita consumption of approximately 220 kilograms against the global average of 480 kilograms.

**Demand:** The low cement consumption is attributed to low infrastructure activity and a significant housing shortage. With the Central Government laying a keen emphasis on two key demand drivers – housing and infrastructure – it is expected that cement consumption will gradually pick up. Although demand in the past couple of years tapered, the long-term potential remains intact. India's cement demand has grown at a 8% CAGR over the last 15 years with housing sector contributing more than 60% to the cement demand. Demand in FY16 grew by more than 5.3% compared to an average 2.5% demand growth in FY15, presaging an uptick in demand in the near future.

To reduce logistics constraints and improve free movement, a keen emphasis has been laid on developing transportation infrastructure i.e. rail, roads and ports.



Ariyalur, Tamil Nadu

The Central Government announced the 'Bharat Mala' scheme, which envisages the construction of 25,000 kilometres of roads. The Central Government also announced several other projects for the improvement of road infrastructure such as Setu Bharatam and National Highway Development Programme. The Central Government also announced the 'Sagar Mala' project, which aims to develop 12 ports of India and 108 islands with an outlay of US\$ 10 billion.

The Central Government has drawn up a plan to overcome housing shortage

in country by introducing Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Awas Yojna (PMAY) schemes.

**Supply:** The rate of capacity addition moderated over the past few years and this trend is expected to prevail over the near-term. Over 15 million tonnes per annum of capacity additions are expected during FY 2016-17. The time lag to construct a cement plant increased due to land acquisition issues and growing complexities while obtaining clearances.

Due to soaring land prices, revised regulations as per the new Mining Act and a depreciating rupee, the capital cost for setting up a cement plant has also increased in the last few years.

As the economy revives, the country's cement industry is expected to perform better due to greater cement demand and improved capacity utilisations for the industry on account of tapering capacity addition.

## Our regions

### Southern India

Decisive initiatives in the realm of infrastructural development by the State Governments of Andhra Pradesh and Telangana have raised hopes of sharp and sustained demand recovery over the next couple of years. The formation of the new capital of Andhra Pradesh could entail significant infrastructural investments. The Telangana Government announced

an outlay of ₹1.3 trillion for FY2016-17, a 30% increase over FY2015-16. Of the overall allocation, 20% (₹250 billion) will be channelised towards the irrigation sector – almost a 300% increase over the last year. Over ₹160 billion will be spent in the construction of dams and barrages. Southern India witnessed firm cement prices and a rebound in demand growth. Almost no capacity additions are foreseen over the next two years. Many major

infrastructure projects are in development like the metro rail in Kochi, the Southern freight corridor and new SEZs and power plants in Telangana. This will in turn lead to significant growth in peripheral cement demand.

### North Eastern India

Census data shows that only about 3% of houses in Assam (largest state in North Eastern India) are concretised while 11%

(nearly 700,000) are classified as 'unliveable'. This suggests a huge potential for the housing sector over the long-term. The Ministry of Road Transport and Highways (MoRTH) announced the construction of 10,000 kilometres of roads in the region at a cost of ₹500 billion while the Indian Railways aspires to more than double the track length in the region by 2020. Moreover, seven 'Smart Cities' are all set to be developed in the region besides three more under the AMRUT scheme. A ₹5,000-crore telecom infrastructure project was also announced, which will be implemented over the next five years. An inland water transport project was commissioned to develop 20 ports on the Brahmaputra and Barak rivers. Ancillary townships and industrial areas will be connected via rail and road. All these macro-economic developments bode well

for the Group as far as North East India is concerned. The recent elections in Assam and the party at the helm of the state now being same as at the centre, are an indicator of faster development activities in the coming years.

### Eastern India

- The Central Government announced a scheme to address the shortage of dwelling units in India, estimated at 60 million (of which 20 million are in urban areas). In order to meet this shortage, an investment of more than US\$ 2 trillion is required. As per the report on urban housing shortage, over 46% of the shortage is in Eastern and Central states. This is expected to boost regional cement demand.
- Construction of metros in the Eastern and Central states is expected to add to

the cement demand over the next four to five years. Metros are cement-intensive projects, especially underground projects. Currently, Lucknow (Phase-I) and Kolkata (East-West Corridor) are in early stages of construction. Further metros for Kanpur, Indore, Bhopal, and Patna are in planning stages. Once approved, these projects could boost cement demand.

- The Indian Railway's marquee dedicated freight corridor project involves the construction of two corridors, one each on the Western and Eastern routes, spanning a total length of 3,300 kilometres at a cost of ₹810 billion. The Eastern corridor consists of five stretches spanning 1,839 kilometres, of which two have been already awarded.
- A sum of USD140 billion is expected to flow into Eastern India through coal allocations over the next 15 years.

## About the Group

Dalmia Bharat invested in a people-driven culture. This culture was marked by high emotional ownership, embrace of challenges, passionate outperformance, professionalism and extensive responsibility-cum-authority delegation. In the last few years, this culture translated into process breakthroughs, cost reduction, brand equity, increased realisations and market share accretion.

Over the last few years, the Group acquired a number of cement manufacturing plants and companies, taking the cement

production capacity to 25 MnT and reported a higher output outperforming growth in the country's cement industry.

The Group invested in continuous debottlenecking initiatives through the effective leveraging of sectoral knowledge and sharing of best practices. The Group engaged in prudent capital allocation and balanced growth from the organic and inorganic routes.

The Group enriched its product mix through the manufacture of premium

value-added cement, strengthening overall realisations. The Group intensified its focused efforts towards a growth of premium brand share in the overall sales mix.

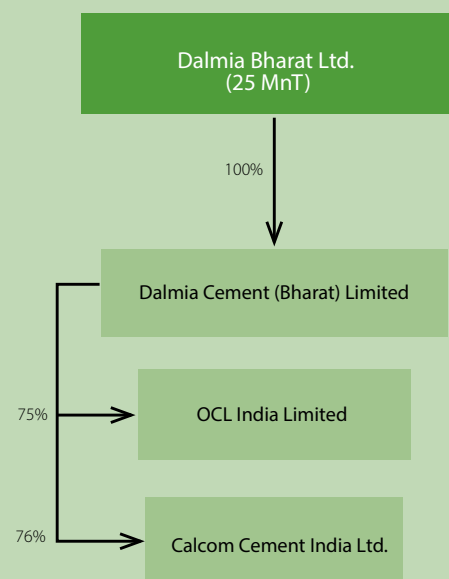
The cumulative efforts from the number of initiatives taken over the years helped the Group report the highest ever gross turnover of ₹7,328 crore during the year. The focus on cost-efficiency helped attain the lowest variable cost per tonne of cement of ₹1,351, leading to the highest EBITDA of ₹1,579 crore.

### Restructuring

During the year, Dalmia (Bharat) Limited acquired KKR's 15% stake in Dalmia Cement (Bharat) Limited (DCBL) through a preferential issue of equity shares of 75,00,000 and part-cash consideration. Subsequently, Dalmia Bharat Limited acquired a 100% ownership in Dalmia Cement (Bharat) Limited and KKR became the largest institutional shareholder of DBL. This restructuring also helped Dalmia Bharat simplify its corporate structure while extending its successful partnership with KKR. The Company will leverage KKR's global platform to support the Group's vision to emerge as a leader in the domestic cement manufacturing space.

DBL also announced the amalgamation of OCL India Limited (OCL) and Dalmia Cement East Limited (Bokaro) with Odisha Cement Limited, a 100%-subsidiary of OCL. Adhunik Cement Ltd (DBL's subsidiary) will be amalgamated with Dalmia Cement (Bharat) Limited following a transfer of 99 MW of power assets from Dalmia Cement Bharat Power Ventures Limited to DCBL. The proposed restructuring is expected to be effective by the end of FY17.

This amalgamation will also allow the Group to capitalise on synergies in terms of client servicing, logistic efficiencies, stock optimisation and network consolidation. This will lead to deeper market penetration and economies-of-scale.





## Operational review

Dalmia Bharat relentlessly pursued innovative ways to augment operational efficiency. Over the past decades, the Group realised that the more it questioned itself on how it could push the envelope, the more flexible it would be in adopting global-best practices. The fact sheet underneath is evident enough of the success achieved via this approach:

- Second-lowest variable cost per tonne in the industry of ₹1,351 per tonne

- Amongst highest blending ratio in the industry.
- One of the highest mixes of blended cement in total sales: more than 80%
- Lowest power consumption (67 units per tonne of cement) in the sector
- EBITDA per tonne improved from ₹ 771 in FY14 to ₹1,258 in FY 16

The Group increased the proportion of slag and fly ash in the manufacture of blended

cement, which helped reduce production costs.

During the fiscal, the Group achieved substantial cost savings by optimising its product mix, using a more economical fuel mix and enhancing manufacturing efficiencies through the adoption of best-in-class practices. The result: overall manufacturing costs (ex-interest, depreciation and tax) as a proportion of revenues declined from 82% in FY2014-15 to 73% in FY2015-16.

## Region-wise highlights

### Southern India

Despite the Southern Indian markets contracting during the last fiscal, our Group retained its market share of 11% in key markets i.e. Tamil Nadu and Kerala. While demand remained subdued in the Southern markets, the Group's strategic presence in high-growth realisation regions helped it report a higher EBITDA. The Group commissioned commercial production at its new greenfield plant at Belgaum, Karnataka at the end of FY16. However, the full impact of its operations

will be seen during the next financial year.

### North Eastern India

The North Eastern markets witnessed modest cement demand growth for last two years. The change in government during the recent elections in Assam was an indicator of development activities accelerating in the coming years. The commissioning of a clinker facility at the Umrangshu unit helped optimise production costs. The Group focused on improving plant reliability and overall

efficiency during the year.

### Eastern India

The Eastern Indian markets witnessed strong demand growth with Dalmia Bharat accounting for a 14% market share during the year. The year FY2015-16 was the second complete year of operations for the acquired units of Bokaro-Jaypee Cement and OCL. The Group ramped production in these facilities, resulting in higher volumes and improved capacity utilisation.

## Power and fuel costs

### Overview

Over the past decade, the Group's consumption of economic fuels increased manifold. By implementing process modifications in its plants, the Group increased the use of economic fuels

(pet coke, carbon black, wood, charcoal, municipal waste and saw dust, among others) resulting in 73% of the total fuel consumption in its kiln and captive power plants being met by these fuels as against 45% in the previous year.

The usage of economic fuel in Southern units reached approximately 100%. All kilns and captive power plants switched to most economic fuels in FY2015-16.

## Research & Development

The Research & Development played a pivotal role to bring down the cost of production, aiding marketing operations and attracting new customers to improve the Group's market share.

The R&D team strives to meet the demand for special application products by moderating the clinker composition and enhancing functional features

of the product. These value-added products cater to specific needs within the construction industry. Along with product improvement, the focus was on making manufacturing operations more sustainable and eco-friendly. Alternate raw materials were used to improve clinker quality. The Group also developed products for mass concreting uses, such as

in bridge and dam construction. The total R&D expenditure in FY15-16 was ₹5.4 crore.

International exposure and collaboration with experts in cement R&D helped improve product design, development and application. The state-of-the-art R&D facility of the Group was instrumental in supporting product growth.

# Logistics

## Overview

In a business where freight costs constitute more than a fourth of the total costs, success lies in effective logistics management. The Group is focused on optimising transportation modes and routes in the wake of escalating freight rates. This was supported by the flexibility enjoyed due to a low lead distance of approximately 300 kilometres. The raw material cost of the Group was lower than the industry average due to the proximity of raw material sources around the manufacturing plants.

The Group invested in building railway sidings and conveyor belts at almost all locations. To overcome logistical constraints, the Group is evaluating a captive fleet/wagon model. This will

significantly optimise freight costs.

The Group deployed a GPS-tracking system to ensure faster turnaround for vehicles and improve cost-efficiency.

The Group repaired the Umrangshu-Lanka road with in-house resources, which reduced transportation costs and transit times.

The commissioning of the clinkerisation unit in Umrangshu, Assam, has two benefits:

- There will be significant improvement in capacity utilisation of North East region which will also help in absorption of fixed cost.
- This will also reduce lead distance as our North East region will be able to sell more in Assam, which constitutes 60-65% of

cement demand in the North East.

The Company was able to serve the strategic markets through the nearest cost sources. In Eastern India, the proposed amalgamation of OCL India Limited and Dalmia Cement East Limited will further lead to the optimisation of freight costs.

The Group moved more closer to dispatching consignments from factories within the state, saving warehousing and secondary transportation costs.

The Group rationalised its existing depot network and streamlined stock-keeping and depot-handling operations. It also optimised its fleet mix in favour of higher capacity non-unionised vehicle pool to reduce road freight costs.



Medinipur, West Bengal



## Safety

The Group is committed to create a healthy and safe working environment for all its stakeholders. It believes that all adverse incidents are essentially preventable. It initiated programmes and processes across the Group to continuously improve its safety quotient.

- Maintaining health and safety management systems across all locations to drive continuous improvement and reduce risk
- Replicating best-in-class safety practices across locations
- Establishing safety performance reviews and governance processes
- Ensuring health and wellness of employees and contractors through communication and awareness programmes, and fitness to work regime
- Improving competence of personnel

through training programmes

- Developing an annual safety improvement plan focused on key risks
- Initiating a road safety improvement programme consistent with CSI guidelines to drive culture change and awareness for transporters and drivers.

### Outlook

Going ahead, the Group is in the process of establishing a Group-wide safety function to facilitate the implementation of safety strategies, improve its safety performance and work towards its vision of 'Zero Harm'.

### Safety awards and recognitions

- Won the first prize at the Zonal Mines Safety Competition, Kadapa
- Recognised by CII with the 'Environment Health & Safety (EHS) Award – 4 Star Rating' for its Dalmiapuram and Ariyalur units
- Won second prize in 'Best Safety Practices' act an event organised by CII and the Directorate of Factories, Dalmiapuram

# Bringing sustainability to the fore

The highlights of 2015 comprised two remarkable developments, which changed the sustainability agenda of the world. These two developments were the 17 SDGs (Sustainable Development Goals) adopted in September 2015 and the Paris Climate Agreement adopted in December 2015 by global leaders. As a progressive corporate, our Group became a part of this change by declaring FY2015-16 as 'Year of Sustainability' and redrawing its sustainability strategy roadmap.

At Dalmia Bharat, sustainability is not another buzzword; it is a way of life that progresses and changes with time. We put a significant thrust on maximising the use of industrial wastes in a sustainable manner and strengthened competitiveness in terms of operational efficiencies leading to greater returns, cost reduction and increase in stakeholder value.

The Dalmia Group's commitment is underlined by its engagement with the Cement Sustainability Initiative (CSI); a CEO-led voluntary cement sector initiative of the World Business Council for Sustainable Development (WBCSD). As a CSI member, our Group monitors and reports on globally-accepted key sustainability indicators on an annual basis and tries to emulate the examples set by global peers. These KPIs, as delineated in the Cement Sustainability Initiative charter, are linked to:

- Carbon emission reduction and climate protection
- Responsible use of fuels and raw materials
- Employee health and safety
- Local impact and biodiversity

The Group's manufacturing units are setting new benchmarks in energy efficiency, alternative fuel utilisation, incremental waste utilisation and water conservation. While its Eastern India operations are setting benchmarks in producing one of lowest carbon footprints

in India, the Southern India operations are getting national recognition in energy efficiency, alternative fuel utilisation and water conservation.

The Group has undertaken decisive efforts across plant locations including:

#### Using eco-friendly raw materials

The Group has undertaken various initiatives to replace natural resources used in the production of cement by utilising the waste generated from other industries. Other than increasing consumption of fly ash and slag in cement blending, the Group has:

- Reduced limestone consumption by utilising tannery sludge
- Reduced gypsum consumption by utilising high-SO<sub>3</sub> CPP fly ash
- Increased iron content in the raw mix to increase the longevity of mines
- Reduced the lime saturation factor in kiln feeds using pet coke and increased the longevity of mines by around a year
- Reduced fireclay consumption, thereby saving high-grade resources.

#### Using alternative fuels

The Group utilised industrial waste and by products with recoverable calorific value in cement kilns. These included diverse materials like rubber tyres pyrolysis waste (carbon black), paper plant waste (plastic), steel plant waste (slag), captive power plant waste (flyash) as well as waste materials from ceramic industry, charcoal and solid waste mix as alternative fuels. The result: we achieved a significant reduction

in costs and minimised our carbon footprint.

#### Reducing energy consumption proactively

The Group adopted internationally-recognised energy management practices (ISO 50001) at cement plants in Southern India with a focus on continuous improvement and energy efficiency.

- Earned 5,870 credits at the DPM-level as a part of the PAT scheme of BEE
- Minimised its carbon footprint through gate-to-gate energy reduction
- Conformed to the energy efficiency norms laid down under the ISO 50001 system

#### Taking major strides in the realm of renewable energy

- Installed solar PV plants at Medinipur (5.5 megawatts), which took the total solar capacity to 8 MW for the Group
- Installed solar water heaters at the corporate guest house and solar streetlights
- Utilised transparent roof sheets to conserve energy

#### Taking water conservation to new levels

The Group's commitment in creating sustainable business practices helped it meet the challenge of water scarcity and resulted in significant water conservation. Case in point: the Ariyalur unit created a rainwater harvesting system capable of recycling 5,000 cubic metres while the



Water harvesting at Ariyalur, Tamil Nadu

Kadapa unit created a rainwater harvesting and storage capacity of 2,35,000 cubic metres.

- Utilised air-cooled condensers for CPP
- Carried out rainwater harvesting in ponds and step wells
- Achieved zero effluent discharged across all plants
- Operationalised sewage water treatment plants
- De-silted farm ponds in the neighbouring community
- Utilised drip irrigation to conserve agriculture water use of nearby farmlands

#### **Achieving sustainability in quarrying**

- Undertook top soil conservation measures

- Undertook water table management measures
- Carried out green belt development.
- Maintained compliance with stipulated State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB) norms to minimise the adverse effects of noise, vibration, dust and discharges on surface water, ground water and land
- Minimised environmental impact stemming from the transportation of raw materials

#### **Establishing extensive greenery**

The Group carried out green belt development and lawn development initiatives. It planted 14,850 saplings as part of a long-term project.

#### **Achieving sustainability by controlling**

#### **emissions**

The Group took various initiatives to reduce and control emissions, including:

- Installed high-efficiency bag filters and hot ESPs (electrostatic precipitators) to match standardised emission norms.
- Installed auxiliary bag filters at transfer points
- Operationalised road sweepers, mobile suction machines, fixed and mobile water sprinklers and concrete roads to control fugitive emission.
- Used covered sheds and concrete silos for storing raw materials and finished products.
- Used online environmental monitoring systems to keep an eye on emission parameters (SPM, SO<sub>2</sub> and NO<sub>2</sub>)

# Expanding brand footprint and enriching product portfolio

In 2015-16, the big marketing objective for our Group was umbrella branding, enhanced customer focus and reinforced sustainability. The challenges were numerous.

The Group responded with a method. It launched its first unified brand campaign 'Dil Jode, Desh Jode' supported by television commercials and radio jingles.

The Group highlighted its nation building commitment through 'Mera Bharat Bada Ho Raha Hai' tagline. The brand reinforced its 'greenest' cement positioning through the adoption of innovative processes and cutting-edge technologies, which was recognised through the CII certification, the first of its kind in the industry.

Besides, the Group needed to establish its brand in the markets of Bihar and Jharkhand following the acquisition of the Bokaro grinding unit. The Group strengthened its portfolio of premium and customised products with a focus on customer centricity. The share of premium brands in the overall sales mix of East increased to about 40% for the year; graduating the Group to among the top three brands by market share.

The Group countered a sluggish North Eastern markets by positioning 'Dalmia' as an 'expert' that could be trusted in home building.

The result was that the Group retained its position as the fastest-growing major North East brand, reporting a significant volume growth over the previous year.

The commissioning of the Belgaum plant consolidated the Group's position in North Karnataka and empowered it to enter Maharashtra.

**Dalmia**  
Bharat Cement

75  
YEARS

TRUSTED FOR 75 YEARS  
TESTED ON AIRSTRIPS

**Dalmia**  
Portland Slag Cement

THE SAME EXPERTISE  
NOW AVAILABLE IN YOUR CEMENT

With an experience of over seven decades, Dalmia has been the pioneer in manufacturing special application cements. These high performance cements have been built to endure extreme stress in airstrips, rail sleepers and oil wells. Now, with every bag of Dalmia cement that you buy, get the same expertise.

PIONEER IN AIR STRIP, RAIL SLEEPER AND OIL WELL CEMENT  
NOW AVAILABLE IN EAST INDIA

**BRING HOME THE EXPERTISE  
THAT BUILDS THE NATION**



India's latest metro rail network in Chennai, 45.1 km

Be it a symbol of modern technology, the Chennai Metro Rail, the country's longest Dhola-Shadiya Bridge or the historical Mettur Dam of Tamil Nadu... Dalmia Cement, with its superior quality and expertise, has been strengthening India's foundation for more than 75 years. Now build your dream home with the same expertise that millions trust.

## Our people; Our asset



The Dalmia family's socially inclusive vision, mutual solidarity and belief in the power of humanity makes it stand apart. It sees itself as an institution that puts human beings before anything else and works hard towards building this great nation.

The Dalmia family is young and restless. It is constantly trying to outdo its last triumph, pushing itself to ask 'What next?' This is the basis of its tag line 'New Think'.

The core purpose of its existence is 'to help unleash the potential of everyone we touch'.

Epitomising excellence, innovation and trust, 'The Dalmia Way' is based on the following beliefs:

**Business partnership:** As a strategic business partner, the HR department operates on a base strategy document

built on business alignment and revolves around two base areas:

- Business sustenance
- Business growth

During the year under review, the HR activities undertaken were linked directly to both areas.

**BCP (Business Continuity Plan):** Business continuity ensures the following protocols are in place:

- Identification of CTBs (critical to business departments and talent)

- CPPs (career progression plans) for CTBs
- SP (succession planning) for CTBs

**High Performance Organisation:** For the 'New Think' philosophy to be successful, LLC (leadership, learning and change) is critical. Innovation and 'new thinking' are hallmarks of a high-performing organisation. To this effect, Nalanda and business owners work hand-in-hand to develop and deliver contextual, high-quality learning exercises.



## Some of the leadership programmes undertaken in 2015-16 were:

Lakshya	Focused on star performers handpicked across the Group, aimed at turning them into high-impact business leaders. The programme acts as a 'finishing school' for top performers and creates a pipeline of high-value leaders ready to fill critical slots in the CTB (critical to business) succession plan. Out of 27 participants from cement business, nine have moved to the next level during the course of the programme itself.
Walk The Talk	This was designed on the principle that leaders thrive when challenged. In the process, participants experience nuances of leadership like courage, resilience, commitment, teamwork and confidence. This, coupled with Lakshya makes the leadership programme comprehensive and unique.
Excellence in Execution	This provided mechanisms to overcome obstacles, offering step-by-step guidance for managers and acquaint managers with employee needs.

### Functional competency development

Functional competence-based high-end programmes were designed and delivered to identified participants in developing their domain expertise on a continuous basis across the Group, covering sales, commercial, finance, HR, supply chain and legal functions.

### Domain expertise development

Dalmia Training Institute (DTI), a division of Nalanda dealt with domain expertise development in technical areas viz. mines, engineering, production and quality as well as skill and proficiency development in these areas. Also, high-end programmes through FLSmidth, SKF, ABB, Schneider were also conducted.

### Other programmes

The breakthrough achievement programme helped trigger and sustain

achievement orientation across the organisation through high-end intensive interventions titled 'breakthrough achievement programme' which focused on three major deliverables.

The breakthrough mindset was a model that changed how the market functioned. This programme provided the platform for the participants to take the lead. The collaborative breakthrough emphasises that the synergy of the whole was greater than sum of the parts. The breakthrough belief eliminated all barriers of impossibility and past references that became hindrances to a powerful belief system. The programme was conducted for various teams in a structured manner.

Some other major programmes like 'Train the Trainers', 'Transaction Analysis' and 'Teamanship' were also conducted besides other programmes.

The Group moved from a manufacturing-centric outlook to a customer-centric

approach. This business need required changes to be brought in the talent profile, organisation structure and HR guidelines, among others. To this effect, it trained and redeployed existing talent by redefining their roles and responsibilities, moved people through role enhancements, acquired external talent where necessary, prepared a leadership pipeline and stipulated timelines for changing role.

The organisation continued to maintain open and cordial employee relationships and has started encouraging value-based talent volunteering programmes. Under this programme, it actively encouraged its people to engage with the community through various NGOs (serving and empowering the underprivileged, educating girl child, caring for human health, working to empower the visually challenged, protecting the environment, and beyond) it tied up with.

## Information technology

Dalmia Bharat has progressively invested in a best-in-class information management platform to enhance organisational responsiveness, reduce time-to-market, optimise costs and deliver sustainable solutions.

In the past year, the Group positioned information management as an integrator, aligning the human resources function with the SAP ERP. That provided decision-makers with a granular organisational view and the control required to achieve financial objectives. The Group websites were aligned with each other in order to integrate operations across entities.

The following FY2015-16 initiatives were highlights of the Group's information technology agenda:

**Project Milaap:** Converged the Group's cement businesses under a common umbrella and harmonised processes leading to improved controls and streamlined templates.

**Google platform:** Enhanced communication and collaboration across the Group's business and between teams using a Google platform.

**Infrastructure services:** Enhanced to reflect a complex applications backbone comprising a disaster recovery centre, network consolidation with a single vendor to enhance bandwidth and cost efficiency.

**Business services:** Streamlined and outsourced Group-wide initiative comprising print management systems and facilities management services to moderate costs and liberate internal resources to achieve prioritised objectives. An in-house maintenance service was

evolved to explore new technologies, while outsourcing the infrastructure and support systems to a core IT company.

**Application services:** Deployed mobile-based application services, revolutionising our sales effectiveness. Provided the sales force with real-time information on customers, credit limits, outstanding and other data.

**Suvidha:** Introduced a mobile and tablet-based initiative that changed the way it connected with partners to get closer to customers and enable dealers to place orders and schedule deliveries online.

## Corporate social responsibility

Set up in 2009, Dalmia Bharat Group Foundation, the CSR wing of the Dalmia Bharat Group, worked with rural communities within the framework of sustainable development.



Signed an MOU with National Skill Development Corporation (NSDC) to train **60,000 youth** over the next decade

With regards to community development, our sustenance and growth is enmeshed and organically dependent to that of society. Through the Dalmia Bharat Foundation nationally, the Group made a positive impact on more than 300,000 lives across 290 villages in the hinterlands of the Group's 11 plant locations.

The Group's vision is 'creating sustainable shared values for inclusive growth of business and society'. True to that spirit, its

CSR's vision is that 'every household has a sustainable livelihood in our environment'. Mentioned below are the community initiatives undertaken in the context of Sustainable Development Goals (SDG) and Provisions of Section 135 of the Indian Companies Act, 2013:

### Major partnerships, 2015-16

- Signed a national-level MoU with NABARD for implementing development

programmes across locations.

- Signed an MOU with National Skill Development Corporation (NSDC) to train 60,000 youth over the next decade by setting up eight skill centres in eight states.
- Partnered with the Irrigation and Public Health Department for implementing special camps for differently-abled people.



## CSR programmes and outreach

### Soil and water conservation

Depleting water table is a problem being faced across India. In some areas, the water table is lower than 500 feet, creating scarcity of water for agriculture and household use. The Group has developed 106 farm ponds, 17 village ponds, constructed 10 check dams and three ring wells. To promote optimal utilisation of water, we also brought 208 acres of land under drip irrigation to help farmers grow more crops with at least 70% less water consumption and thereby increase incomes. Along with this, 60 vermicomposting units and four units of vermi-wash were promoted in three villages.

### Renewable energy and climate change mitigation

The Group promoted energy efficient and sustainable solutions in our community. Our energy conservation programmes benefited 34,000 people and reduced

6,330 tonnes of CO<sub>2</sub> this year. It provided more than 1,600 kitchens with fuel-efficient cook stoves and biogas fuel. Some 4,103 households were lit up with solar home lighting products and 37 solar streetlights were installed to ensure safe commute at night for more than 1,500 beneficiaries. A new initiative called 'Solar Digital Education Centres' was piloted this year. Eight digital education centres were set up to provide quality education to 3,500 students.

### Livelihood and skills training

Over 12,000 people are direct beneficiaries of its livelihood programmes at four locations. The Group promoted 720 SHGs with more than 8,200 members at a ₹4.43 crore investment. It formed six farmer producer organisations (cotton, milk, paddy, vegetables and Bengal gram) with 1,000 members. It organised skill development training in more than 20 trades like manned guarding, food

processing, nursing, stitching, among others and trained more than 800 people.

### Social development

The Group helped develop rural infrastructure in its neighbouring communities by constructing roads, local markets, community centres, football grounds, among others across locations. It constructed sanitation blocks in schools and community along with 107 low-cost toilets under Swachh Bharat Abhiyan benefitting 8,100 beneficiaries. The Group organised special medical camps, mobile medical units and sensitisation programmes, benefitting 80,000 people. Some 30 remedial education centres provided coaching to 1,900 students. It provided teaching and learning materials to 20 *anganwadis* and schools. Besides, supporting the educational cause, it arranged hockey coaching for students.

## Addressing business risks

Every business is marked by a variety of risks. Dalmia Bharat identifies and assesses risks associated with its business and correspondingly undertakes strategic measures to minimise losses and maximise realisations.

Could any downturn with the cement sector impact the Group's sales?

The Company has invested strategically in Brand Equity. We enriched our product mix and created differentiated brands, enhancing our appeal. Focused marketing initiatives and introduction of new brands helped us to improve our market share significantly. We optimised the market mix and synergised our capabilities to cater to high realisation markets. Strong brand salience in targeted markets helped us to mitigate market risk effectively.

Could increase in power and fuel cost impact Group's margins?

Power and fuel accounts for about 50% of the variable cost of production of cement. Over the years, the Group's engineers embarked on a number of initiatives to moderate costs. The result is power and fuel costs declined from ₹884 per tonne of cement produced in FY2014-15 to ₹649 per tonne in FY2015-16, amongst the lowest in Indian cement industry.

The Group switched from the use of conventional to alternative fuels. Following modifications, the Group's plants now possess the flexibility to use a variety of fuels, helping optimise costs. It enhanced substitution of clinker with alternative cementitious materials (slag and flyash) derived from industrial waste.

Could higher logistics cost affect profitability?

Cement being a voluminous product, the Group has strategically selected locations close to raw material resources as well as to major cement markets. The Group has a dominant presence in the high demand and high realisation markets of Southern, Eastern and North Eastern India.

A well-distributed network of grinding units has helped the Group maintain a low lead distance. Also, the Group has in place a dependable infrastructure for cement outflow through railway sidings and road links across all plants.

Could an over dependence on a specific geography hinder growth prospects?

Since inception, the Group remained a predominantly South Indian brand. The Group made a conscious decision to strategically widen its presence in the fast growing Eastern and North Eastern markets. The Group grew its manufacturing presence from one state in 2005 to eight states in 2016. The Group is the second-largest player in Eastern and North Eastern markets with a 14.5% market share and among the top five in the Southern region with a 7% market share. The Group also forayed into Western India through the commissioning of the Belgaum unit, Karnataka.

Could an inability to acquire low-cost funds to meet capital expenditures or repay debts impact profitability?

The Group possessed cash and cash equivalent of ₹2,721 crore as on March 31, 2016. We successfully refinanced the debt of its acquired assets. The Group's fiscal prudence was reflected in its low cost of debt. The Group has a long-term tenure, ballooning debt structure with significant portion of the repayments due in the last five years. Going ahead, the Group foresees interest cover to rise as volumes grow.

# Directors' Report

For the year ended 31st March, 2016

The Directors have pleasure in submitting the Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2016.

## FINANCIAL RESULTS

( ₹ Crore )

Particulars	Standalone		Consolidated	
	FY – 16	FY – 15	FY – 16	FY – 15
Net Revenue	204.31	175.30	6437.95	3514.12
Profit before interest, depreciation and tax (EBITDA)	90.84	40.78	1742.82	695.85
Less: Interest and Financial Charges	1.70	0.31	725.64	434.38
Profit before depreciation and tax (PBDT)	89.14	40.47	1017.18	261.47
Less: Depreciation	2.94	3.66	452.76	271.58
Profit / (loss) before exceptional item and tax	86.20	36.81	564.42	(10.11)
Exceptional Items	-	-	-	(6.12)
Profit / (loss) before tax	86.20	36.81	564.42	(16.23)
Provision for current tax	20.54	11.82	132.36	13.36
Provision for deferred tax	(0.63)	(0.39)	166.84	35.92
Prior year tax charge	0.74	0.28	(0.12)	(2.42)
Profit / (loss) after tax before share of profit in associates	65.55	25.10	265.34	(63.09)
Add: Share of profit in associates	-	-	-	48.53
Less: Share of minority interest	-	-	74.53	(17.61)
Profit / (loss) after tax	65.55	25.10	190.81	3.05
Add: Surplus brought forward	77.83	70.19	58.50	292.91
Add: Amount transferred from debenture redemption reserve	-	-	95.83	32.50
Add: Provision for dividend Distribution tax written back	1.64	-	1.64	-
Less: Depreciation on account of change in useful life of assets as per Companies Act, 2013	-	0.22	-	5.13
Profit available for appropriation	145.02	95.07	346.78	323.33
<b>Appropriations:</b>				
Debenture Redemption Reserve	-	-	130.20	113.96
General Reserve	-	2.51	-	122.51
Reserve fund as per RBI	-	-	0.28	-
Proposed Dividend/Interim Dividend	17.76	12.18	23.53	19.32
Dividend Distribution tax thereon	0.42	2.55	5.05	7.18
Distribution tax on dividend from Associates	-	-	-	1.86
Balance carried forward	126.84	77.83	187.72	58.50
	145.02	95.07	346.78	323.33

## 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 financial year 2015-16.

## DIVIDEND

Your Directors had distributed an Interim Dividend of 100% per share amounting to ₹2.00 per equity share of face value of ₹2/- each in March, 2016 to those Shareholders holding shares on 23-3-2016.

Your Directors have decided not to recommend any final dividend

and to treat the interim dividend paid as the final dividend for the financial year 2015-16.

## CHANGES IN BUSINESS

There have been no changes in business carried on by the Company during the year.

## CORPORATE GOVERNANCE REPORT

The Company's corporate governance practices have been detailed in a separate Chapter and is attached separately to this Report together with the Auditor's certificate thereon.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The report on the financial position of the Company's Subsidiaries for the year ended 31st March 2016 in Form AOC 1 is attached and marked as Annexure - 1 to this report.

The Company has 38 subsidiaries including step down subsidiaries, namely, Dalmia Cement (Bharat) Limited, Dalmia Power Limited, DCB Power Ventures Limited, Kanika Investment Limited, Adwetha Cement Holdings Limited, and the Subsidiaries of Dalmia Cement (Bharat) Limited, viz., Ishita Properties Limited, Shri Rangam Properties Limited, Geetee Estates Limited, D. I. Properties Limited, Hemshila Properties Limited, Arjuna Brokers & Minerals Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Minerals & Properties Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Shanmugha Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudana Mines and Properties Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Vinay Cement Limited, SCL Cements Limited, RCL Cements Limited, Adhunik Cement Limited, Adhunik MSP Cement (Assam) Limited, Dalmia Bharat Cements Holdings Limited, Shri Rangam Securities & Holdings Limited, JayeVijay Agro Farms Private Limited, Dalmia Cement East Limited, Bangaru Kamakshiamman Agro Farms Private Limited, OCL India Limited, OCL Global Limited, OCL China Limited and Odisha Cement Limited.

During the year under review, Bangaru Kamakshiamman Agro Farms Private Limited and Adwetha Cement Holdings Limited became subsidiaries of the Company w.e.f. 29th April, 2015 and 2nd March, 2016 respectively.

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

Apart from this, the Company's Subsidiary Dalmia Cement (Bharat) Limited has one joint venture company, Khappa Coal Company Private Limited, and OCL India Limited, the step down subsidiary, has one joint venture company Radhikapur (West) Coal Mining Private Limited.

Any Member desirous to inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Registered Office of the Company during business hours. The same are also posted on the Company's website [www.dalmiabl.com](http://www.dalmiabl.com).

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

During the year under review, two Schemes of Arrangement and Amalgamation, involving the following subsidiaries / step down subsidiaries of the Company, their respective shareholders and creditors, have been approved by the respective board of directors of said companies:

- (i) Scheme No.1 amongst OCL India Limited, Dalmia Cement East Limited, Shri Rangam Securities & Holdings Limited, Dalmia Bharat Cements Holdings Limited and Odisha Cement Limited;
- (ii) Scheme No. 2 amongst Adwetha Cement Holdings Limited,

DCB Power Ventures Limited, Dalmia Power Limited and Dalmia Cement (Bharat) Limited.

The said Schemes are expected to be filed before the respective High Courts having jurisdiction over the Registered Office of the aforesaid companies shortly.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Section 129(3) of the Companies Act, 2013 and the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2015-16.

The revised Consolidated Financial Statements attached with this report have been prepared based on audited Financial Statements of all the subsidiaries including sub-subsidiaries of the Company. In this regard attention is invited to note No. 32B and note No. 62 of the Consolidated Financial Statements of the Company for the year ended 31st March, 2016 which fully explains the matter and replies to the Auditors observation under "Emphasis of Matter".

## EXTRACT OF ANNUAL RETURN

In compliance with sub-section (3) of section 92 of the Companies Act 2013, the extract of the Annual Return is attached in Form MGT-9 and forms part of this report as Annexure – 2.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Independent Directors namely, Mr. N. Gopalaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan have given their declaration of independence in terms of section 149 of the Companies Act, 2013. During the year two meetings of the Independent Directors excluding all other Directors and Officials of the Company were held as mandated by the provisions of Rule 8 of Schedule IV to the Companies Act, 2013 wherein they apprised the performance of the Executive Directors.

The details of familiarisation programmes imparted to the Independent Directors of the Company during the financial year 2015-16 can be accessed at the website of the Company at <https://www.dalmiabl.com/upload/Familiarisation-Programme-for-ID-2015-16.pdf>.

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

The term of Key Managerial Persons, namely, Mr. Jai H. Dalmia and Mr. Y.H. Dalmia, Managing Directors, expired on 31-3-2016 and 10-2-2016 respectively. Mr. Y.H. Dalmia has been re-appointed as Managing Director w.e.f. 11-2-2016 for a further period of three years and Mr. Jai H. Dalmia has been re-appointed as Managing Director w.e.f. 1-4-2016 for a further period of three years. Their appointments are subject to the approval of shareholders at the ensuing Annual General Meeting. The Company has received Notices from the respective individual Directors as required under section 160(1) of the Companies Act, 2013, proposing their names for appointment as Managing Directors of the Company. Mr. Y.H. Dalmia and Mr. Jai H. Dalmia have given their declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that they are not disqualified from being appointed as Managing Directors

of the Company. Other Key Managerial Persons, namely, Mr. Jayesh Doshi, Group CFO and Whole-time Director and Ms. Nidhi Bisaria, Company Secretary continue to hold their respective offices during the year under review.

The Nomination and Remuneration Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of the Directors and other matters provided in section 178(3) of the Companies Act, 2013 has been approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Policy is attached as Annexure – 3 to this Report.

The Board of Directors have conducted a formal evaluation of its own performance and of the performance of its Committees and individual Directors in accordance with norms laid down in the Nomination and Remuneration Policy aforesaid.

## BOARD OF DIRECTORS, COMMITTEES AND MEETINGS

Reference is invited to the attached Corporate Governance Report for the details thereof.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted the CSR Committee which has approved the CSR Policy. The Committee decided to expend an amount of ₹0.88 crore on CSR activities covering eradication of extreme hunger and poverty, promotion of education including special education, ensuring environmental sustainability and ecological balance, etc. health, sanitation, education and environment sustainability. Pursuant to the said policy, the Company has made expenses aggregating to ₹0.88 crore towards Corporate Social Responsibility during the Financial Year 2015-16, which is more than 2% of average net profits of the Company made during three immediately preceding financial years.

The CSR policy is available on the website of the Company at <https://www.dalmiabl.com/upload/policies/DBL-CSR-Policy.pdf>

The Annual Report on CSR activities, in terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, is attached as Annexure - 4 and forms part of this Report.

## RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame and monitor the Risk Management Plan of the Company. The Committee is responsible for identifying critical risks, framing Risk Management Plan and reviewing effectiveness of implementation of Risk Management Plan on ongoing basis. The purpose of Risk Management Plan is not to eliminate the risks inherent to the business but to proactively address such risks. Major risks have been identified and actions to address them are underway.

## RELATED PARTY POLICY AND TRANSACTIONS

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

The particulars of material contracts or arrangements with the related parties referred to in section 188(1) of the Companies Act,

2013 is attached in Form AOC 2 and forms part of this Report as Annexure - 5.

## INVESTMENTS, LOANS AND GUARANTEES

The particulars of investments made and securities/guarantees given by the Company are furnished in Note Nos. 11 and 26 of the Standalone Financial Statements of the Company. The details of loans given by the Company are furnished in Note Nos. 40 and 41 of the Standalone Financial Statements of the Company.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period ended on 31st March, 2016.

## WHISTLEBLOWER POLICY AND VIGIL MECHANISM

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

The policy can be accessed at the website of the Company at <https://www.dalmiabl.com/upload/policies/DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf>.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013 your Directors state that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (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;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## EMPLOYEES' STOCK OPTION SCHEME

The Human Resource Department and the Nomination and Remuneration Committee of the Board of Directors of the Company administer the Employees' Stock Option Scheme of the Company in accordance with the applicable SEBI Guidelines.

The disclosure as on 31st March 2016 (cumulative disclosure) as stipulated under the SEBI Guidelines with regard to the Employees' Stock Option Scheme is provided as Annexure – 6 to this Report.

## STATUTORY AUDITORS

M/s. S.S. Kothari Mehta & Co., were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 30th September 2015 for a period of five years in accordance with the provisions of section 139 of the Companies Act, 2013 subject to ratification by members of the Company every year. The Board recommends the ratification of their appointment, till the conclusion of the next following Annual General Meeting of the Company.

The Company has obtained from them a certificate to the effect that they are eligible to continue as the Statutory Auditors of the Company and that they comply with the requirements prescribed in Section 141 of the Companies Act, 2013.

## SECRETARIAL AUDITOR AND REPORT THEREON

The Board of Directors of the Company appointed Mr. R. Venkatasubramanian, Practising Company Secretary, as the Secretarial Auditor to conduct the Secretarial Audit in terms of section 204 of the Companies Act, 2013. The Report of Secretarial Audit is attached in Form MR 3 and forms part of this Report as Annexure - 7.

## COMMENTS ON AUDITORS' OBSERVATIONS

The Reports submitted by the Secretarial Auditors and Statutory Auditors on the Standalone Financial Statements of the Company do not contain any qualification, reservation or adverse remark.

## LISTING OF SHARES

The Company's shares continue to remain listed on the National Stock Exchange and Bombay Stock Exchange and the listing fees for the financial year 2016-17 has been paid to the said Exchanges.

## UNCLAIMED SUSPENSE ACCOUNT

In terms of Regulation 39(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has opened the demat account.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE TRANSACTIONS

The particulars of energy conservation, technology absorption are not applicable to the Company as it is not engaged in any manufacturing activity. A statement giving details of Foreign Exchange transactions, in accordance with the Companies (Accounts) Rules, 2014, forms a part of this report as Annexure – 8.

## PARTICULARS OF DIRECTORS' AND EMPLOYEES' REMUNERATION

The particulars of remuneration to Directors and Key Managerial Personnel and other particulars in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure – 9 to this Report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure – 10 to this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the printed copy of the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is also available on the Company's website.

## PUBLIC DEPOSITS

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

## ORDERS PASSED BY REGULATORS

No order has been passed by the regulators or courts or tribunals impacting the status of the Company.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No such complaints have been received by the said Committee during the financial year 2015-16.

## OTHER REPORTABLE MATTERS

The Statutory Auditors have not reported any fraud to the Audit Committee or the Board of Directors of the Company during the year under review.

## ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the excellent cooperation received from all employees and stakeholders of the Company.

For and on behalf of the Board

Place: New Delhi	Jayesh Doshi	Y.H. Dalmia
Dated: 17th August, 2016	Whole-time	Managing
	Director & Group CFO	Director
	(DIN No. 00017963)	(DIN No.00009800)

*P.S.: Annexure mentioned in this Directors' Report other than the Corporate Governance Report and Management Discussion and Analysis are attached after the Consolidated Financial Statements.*



# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

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

In India, corporate governance standards for listed companies were initially regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. Thereafter, effective 1st December 2015, the SEBI introduced the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) which lists out the requirements relating to Corporate Governance vide Schedule V thereof.

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

## Board of Directors

### Composition of the Board

As on 31st March, 2016 the Company's Board comprised of nine members — three Executive Directors, six Non-executive Directors

of which three are Independent and a Woman Director. Mr. P.K. Khaitan, a Non-executive Independent Director is appointed as the Chairman of the Board of Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 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% of the Board should comprise independent Directors.

### Number of Board Meetings

The Board of Directors met six times during the year on 13-5-2015, 28-7-2015, 5-11-2015, 15-1-2016, 3-2-2016 and 28-3-2016. The maximum gap between any two meetings was less than 4 months.

### Directors' Attendance Record and Directorships Held

As mandated by Regulation 26 of the SEBI (LODR) Regulations, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Memberships and Committee Chairmanships.

**Table 1: Composition of the Board of Directors**

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

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

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

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

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at <https://www.dalmiab.com/upload/Familiarisation-Programme-for-ID-2015-16.pdf>.

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

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

- v) is a material supplier, service provider or customer or a lessor or lessee of the company.

### Information Supplied to the Board

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

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

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

### Remuneration Paid to the Directors

The remuneration payable to the Executive Directors and

Non-executive Directors is decided by the Nomination and Remuneration Committee constituted by the Board of Directors.

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

**Table 2: Details of remuneration paid to the Directors for 2015-16**

(₹ crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Independent Non-Executive	0.04	-	-	0.10	0.14
Mr. Jai H. Dalmia	Executive	-	1.25	0.12	0.51	1.88
Mr. Y.H. Dalmia	Executive	-	1.86	0.17	0.38	2.41
Mr. N. Gopaldaswamy	Independent Non-Executive	0.06	-	-	0.10	0.16
Mr. Gautam Dalmia	Non-Executive	0.03	-	-	-	0.03
Mr. Puneet Yadu Dalmia	Non-Executive	0.03	-	-	-	0.03
Mr. V.S. Jain	Independent Non-Executive	0.07	-	-	0.10	0.17
Mrs. Sudha Pillai	Non-Executive	0.03	-	-	0.10	0.13
Mr. Jayesh Doshi	Executive	-	2.27	0.09	-	2.36

@ Commission paid on net profit only.

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

The appointments of Mr. Jai H. Dalmia and Mr. Yadu Hari Dalmia as Managing Directors and Mr. Jayesh Doshi as Whole-time Director are for a period of 3 years effective 1st April, 2016, 11th February, 2016 and 30th March 2015 respectively. In terms of their appointment, no severance fee is payable to any of them.

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

1. 60,000 options granted on 29-1-2015 at a price of ₹217.23/- per

share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

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

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

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

#### Shares and Convertible Instruments held by Non-Executive Directors

Table 3 gives details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March 2016.

**Table 3: Details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March, 2016**

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. P.K. Khaitan	Independent Non-Executive	Nil	Nil
Mr. N. Gopaldaswamy	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
Mrs. Sudha Pillai	Non-Executive	Nil	Nil

#### Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company [www.dalmiabl.com](http://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.

#### Committees of the Board

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

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, 2016, the Audit Committee comprised of three members, Mr. N. Gopaldaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan, all being independent Directors. Mr. N. Gopaldaswamy is the Chairman of the Audit Committee. The Audit Committee met five times during the year on 13-5-2015, 27-7-2015, 4-11-2015, 15-1-2016 and 3-2-2016. The particulars of attendance of the members in the Meetings of this Committee are given in Table 4 hereunder:

**Table 4: Attendance record of the Company's Audit Committee during 2015-16**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopaldaswamy	Independent	Chairman	5	4
Mr. V.S. Jain	Independent	Member	5	5
Mr. P.K. Khaitan	Independent	Member	5	3

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

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

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee could not attend the Annual General Meeting of the Company held on 30th September, 2015 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:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the Auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same

- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or

irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The following information is reviewed by the Audit Committee
  - Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### b) Nomination and Remuneration Committee

As on 31st March, 2016, the Nomination and Remuneration Committee comprised of Mr. N. Gopaldaswamy, as its Chairman, Mr. P.K. Khaitan and Mr. V.S. Jain, Directors as its members. The Committee met thrice during the year on 13-5-2015, 4-11-2015 and 3-2-2016 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 5 hereunder:

**Table 5: Attendance record of the Company's Nomination and Remuneration Committee during 2015-16**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopaldaswamy	Independent	Chairman	3	3
Mr. P.K. Khaitan	Independent	Member	3	1
Mr. V.S. Jain	Independent	Member	3	3

The Chairman of the Nomination and Remuneration Committee could not attend the Annual General Meeting of the Company held on 30th September, 2015 as he was travelling abroad at that time. The Company Secretary, Ms. Nidhi Bisaria, was deputed to answer and resolve the queries of shareholders.

The Committee is entrusted with the following functions:

- i) identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;
- ii) carry out evaluation of every director's performance;
- iii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the aforesaid policy the Committee shall ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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

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

### c) Stakeholders' Relationship Committee

As on 31st March 2016, the Stakeholders' Relationship Committee comprised of Mr. V.S. Jain a Non-Executive Independent Director as its Chairman, Mr. N. Gopaldaswamy, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to look into and redress the unresolved complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met three times during the year on 13-5-2015, 4-11-2015 and 3-2-2016 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 6 hereunder:

**Table 6: Attendance record of the Company's Stakeholders' Relationship Committee during 2015-16**

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

Neither the Chairman of the Stakeholders' Relationship Committee nor any other member could attend the Annual General Meeting of the Company held on 30th September, 2015. The Company Secretary, Ms. Nidhi Bisaria, was deputed to answer and resolve the queries of shareholders.

During the year, 149 complaints were received from investors out of which one was pending at the end of the year. At the close of the year there were no cases pending in respect of share transfers. Table 7 gives the details:

**Table 7: Nature of complaints received and attended to during 2015-16:**

Nature of Complaint	Pending as on 1st April 2015	Received during the year	Answered during the year	Pending as on 31st March 2016
1. Transfer/Transmission/Duplicate	Nil	39	39	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	67	67	Nil
3. Non-receipt of securities/electronic credits	Nil	1	1	Nil
4. Non-receipt of Annual Report	Nil	35	35	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	5	4	1
- Stock Exchanges	Nil	1	1	Nil
- Registrar of Companies/Department of Company Affairs	Nil	1	1	Nil
6. Others	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>149</b>	<b>148</b>	<b>1</b>

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.

#### d) Corporate Social Responsibility Committee

As on 31st March 2016, the Corporate Social Responsibility Committee comprised of Mr. V.S. Jain as its Chairman, Mr. Y. H.

Dalmia and Mr. Gautam Dalmia, as its members. This Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013. The Committee met twice during the year on 13-5-2015 and 4-11-2015 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 8 hereunder:

**Table 8: Attendance record of the Company's Corporate Social Responsibility Committee during 2015-16**

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

#### e) Risk Management Committee

As on 31st March 2016, the Risk Management Committee comprised of Mr. V.S. Jain as its Chairman, Mr. N. Gopalaswamy and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to develop and implement a Risk Management Policy for the

Company, including identification of elements of risks, if any, which may threaten the existence of the Company. The Committee met once during the year on 13-5-2015 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 9 hereunder:

**Table 9: Attendance record of the Company's Risk Management Committee during 2015-16**

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

#### f) 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 since no such fresh investment was made during the financial year.

#### Subsidiary Companies

Regulation 16 of the SEBI (LODR) Regulations, defines a "material

subsidiary" as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As mandated by Regulation 46 of the SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on <https://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf>

As on 31st March 2016, under this definition, the Company has a 'material unlisted subsidiary', namely, Dalmia Cement (Bharat) Limited. Mr. N. Gopaldaswamy, an Independent Non-executive Director is also a member on the Board of Directors of this subsidiary. The Company also has a 'material listed Indian subsidiary', namely, OCL India Limited. Mr. P.K. Khaitan, an Independent Director is also a member on the Board of Directors of this subsidiary.

## Management

### Management Discussion and Analysis

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

### Disclosures

- (a) Related party transactions in the ordinary course of business have been disclosed in Note No. 39 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended 31st March, 2016 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions is <https://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf>.
- (b) The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.
- (c) The Company has framed a Whistle Blower policy and Vigil Mechanism, and the details of the same are hosted on the web-site of the Company at <https://www.dalmiabl.com/upload/policies/DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf>. The Company also affirms that all persons have been permitted to access the Audit Committee.
- (d) The Company is fully compliant with the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.
- (e) The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

### Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

### Code for Prevention of Insider-Trading Practices

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

### CEO/ CFO certification

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

## Shareholders

### Reappointment/Appointment of Directors

Pursuant to the provisions of section 149 of the Companies Act, 2013, the Shareholders have approved the appointment of the three Independent Directors on the Board, namely, Mr. P.K. Khaitan, Mr. N. Gopaldaswamy and Mr. V.S. Jain for a period of 5 years with effect from the conclusion of the last Annual General Meeting on 30-8-2014.

Each of the said Independent Directors have given their affirmation of Independence at the beginning of the financial year 2016-17 and have also confirmed that each of them are not disqualified from being appointed as a Director of the Company by furnishing requisite declaration as required under section 164(2) of the Companies Act, 2013.

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.

Mr. Jai H. Dalmia and Mr. Y.H. Dalmia have been re-appointed as Managing Directors for a period of three years with effect from 1-4-2016 and 11-2-2016. Their appointments are subject to the approval of shareholders at the ensuing Annual General Meeting.

### 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 financial newspapers, viz., Business Standard / Times of India/ Navbharat Times /Economic Times and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period.

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

### General Body Meetings

Table 10 gives the details of the last three Annual General Meetings (AGMs).

**Table 10: Details of last three AGMs**

Financial year	Date	Time	Location
2014-15	30th September 2015	11.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2013-14	30th August 2014	10.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2012-13	24th August, 2013	11.15 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 11.

**Table 11: Details of Special Resolutions passed in last three Annual General Meetings**

Date of Meeting	Type of Meeting	Particulars
30th September 2015	AGM	<ul style="list-style-type: none"> <li>Resolution pursuant to the provisions of Sections 196 and Schedule V of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the appointment of Mr. Jayesh Nagindas Doshi as a Whole-time Director and Group Chief Financial Officer of the Company, whose office is liable to determination by retirement by rotation, for a period of three years with effect from 30-3-2015 and payment of salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Jayesh Nagindas Doshi.</li> <li>Resolution to approve modification in the Special Resolution passed by the shareholders in the Annual General Meeting of the Company held on 26-8-2011, under section 81(1A) of the Companies Act, 1956 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 so as to extend the benefits of the said Scheme to the "employees of the Subsidiaries" and exclude the "Independent Directors".</li> </ul>
30th August 2014	AGM	<ul style="list-style-type: none"> <li>Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Jai H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015.</li> <li>Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Y.H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015.</li> </ul>
24th August, 2013	AGM	<ul style="list-style-type: none"> <li>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.</li> </ul>

**Postal Ballot**

During the year ended 31st March 2016, the Board decided to approach the Shareholders to seek their consent by way of Postal Ballot, on one occasion. The Board approved the Notice for the Postal Ballot sought and appointed a Scrutinizer, namely, Mr. R. Venkatasubramanian, Practicing Company Secretary, who conducted this exercise in accordance with law for the same. The particulars of such Resolution passed and the details of the voting pattern are as under:

**For Postal Ballot dated 12-10-2015**

- (i) Special Resolution seeking approval of shareholders pursuant to section 62(1)(c) and Section 42 read with Sections 179(3)(a), 179(3)(c), 179(3)(d) of the Companies Act, 2013 for issuance and allotment of further securities convertible into equity shares to the extent of ₹12000 million which upon conversion of all securities would give rise to the issue of equity capital of 1,75,0000 equity shares of an aggregate face value of ₹3.5 crore.

Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	
						For	Against
<b>Resolution No. 1</b>							
Promoter and Promoter Group	50982341	50907981	99.85	50907981	0	100	0
Public – Institutional holders**	10683043	4055696	37.96	3354826	700870	82.72	17.28
Public-Others	19523919	77816*	0.40	75360	2456	96.84	3.16
<b>Total</b>	<b>81189303</b>	<b>55041493</b>	<b>67.79</b>	<b>54338167</b>	<b>703326</b>	<b>98.72</b>	<b>1.28</b>

\*\* Includes Body Corporate. \*Excludes 10 invalid votes and 50 votes abstained.



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

#### Special Resolutions proposed to be passed through Postal Ballot

At the ensuing Annual General Meeting it is proposed to obtain the Shareholder's consent through Postal Ballot in respect of three Special Resolutions authorising the Board of Directors (i) to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹3000 crore which upon conversion of all securities would give rise to the issue of equity capital of 1,12,0000 equity shares of an aggregate face value of ₹2.24 crores; (ii) to mortgage and/or to charge all or any of the immovable properties of the Company wheresoever situate, present and future, and whole of undertaking of the Company to or in favour of the Financial Institution(s)/Bank(s)/Lenders to secure an amount not exceeding an amount of ₹1,000 crore or the authority conferred on the Board to borrow monies in excess of the paid up capital and free reserves of the Company, whichever is higher, together with costs, charges, expenses and all other moneys payable, in respect of such Borrowings; and (iii) to issue and allot, on a private placement basis or under a Letter of Offer/Information Memorandum, in the course of an Indian Offering of Non-Convertible Debentures of value not exceeding ₹1000 crore, such issue and allotment to be made at such time or times, in such tranche or tranches, at such price in accordance with the prevailing guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

#### E Voting

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

### Additional Shareholder Information

#### Annual General Meeting

Date: 27th September, 2016  
 Time: 10.00 a.m.  
 Venue: Community Centre Premises,  
 Dalmiapuram - 621651, Dist. Tiruchirapalli,  
 Tamil Nadu

#### Financial Calendar

Financial year: 1st April, 2016 to 31st March, 2017

For the year ended 31st March, 2017, results will be announced on:

- First quarter: By mid-August, 2016
- Second quarter: By mid-November, 2016
- Third quarter: By mid-February, 2017
- Fourth quarter: By end May, 2017

#### Book Closure

The dates of book closure are from 21st September, 2016 to 27th September, 2016 inclusive of both days.

#### Dividend Payment

The Company has distributed interim dividend amounting to ₹2.00 per share to those shareholders holding shares as on the record date, 23-3-2016. Such dividend was disbursed on 29-3-2016.

The Directors have decided to treat the interim dividend paid as the final dividend for the year.

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

#### Listing

The Equity Shares are listed on the following Stock Exchanges:

- a) Bombay Stock Exchange Limited,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street,  
 MUMBAI - 400001.
- b) The National Stock Exchange of India Limited,  
 Exchange Plaza,  
 5th Floor, Plot No. C/1, G - Block,  
 Bandra Kurla Complex,  
 Bandra (East),  
 MUMBAI - 400051

The Company has not issued any Debentures.

Listing fees for the year 2016-17 has been paid to all the Stock Exchanges. The bills for the annual custodial fees for the year 2016-17 have also been paid.

#### Stock Codes:

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

#### Stock Market Data

Table 12, Table 13, Chart A and Chart B gives details

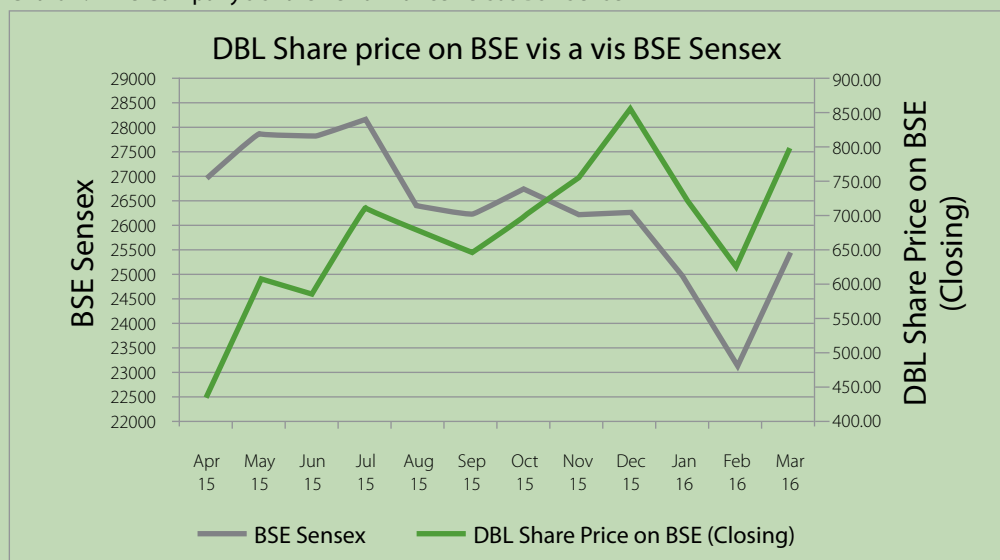
**Table 12: High, lows of Company's shares for 2015-16 at BSE and NSE**

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2015	484.00	420.10	435.90	483.80	417.45	439.90
May, 2015	625.00	415.50	609.40	624.40	418.00	606.90
June, 2015	650.00	537.15	588.20	650.00	535.55	587.15
July, 2015	725.05	576.40	711.35	725.05	575.00	711.95
August, 2015	730.00	600.00	687.20	733.00	589.00	689.30
September, 2015	698.00	625.00	651.05	695.00	628.00	649.90
October, 2015	723.75	645.50	700.15	724.00	642.50	702.55
November, 2015	795.00	682.40	747.30	794.40	681.80	746.80
December, 2015	864.00	740.10	857.20	873.20	732.00	864.15
January, 2016	885.00	693.55	731.40	886.95	700.00	730.45
February, 2016	751.55	605.00	623.00	749.95	602.80	629.95
March, 2016	824.00	630.00	796.40	825.00	633.75	799.15

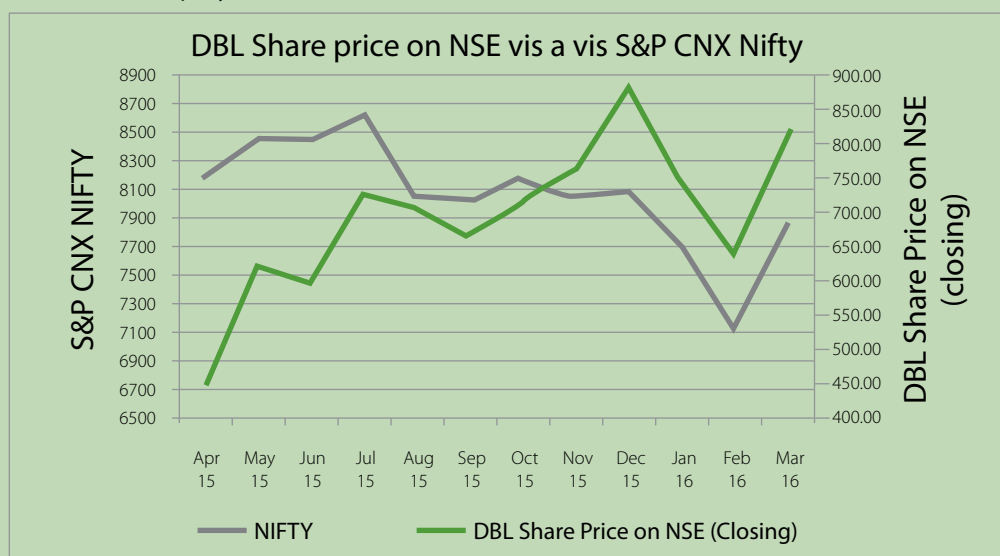
**Table 13: Stock Performance over past 5 years**

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
FY 2015-16	88	88	-9	-9	98	97
2 years	213	216	13	15	200	201
3 years	437	447	35	36	402	411
5 years	331	332	30	33	300	299

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



**Chart B: The Company's Share Performance versus NIFTY**



## Distribution of Shareholding

Table 14 and 15 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March, 2016.

**Table 14: 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	9,546	73.90	11,38,644	1.28
2	501 - 1000	1,270	9.83	9,47,685	1.07
3	1001 - 2000	954	7.39	14,20,071	1.60
4	2001 - 3000	356	2.76	8,95,321	1.01
5	3001 - 4000	197	1.52	7,11,244	0.80
6	4001 - 5000	102	0.79	4,57,342	0.51
7	5001 - 10000	237	1.83	16,48,959	1.86
8	10001 and above	256	1.98	8,15,74,037	91.87
	<b>TOTAL:</b>	<b>12,918</b>	<b>100.00</b>	<b>8,87,93,303</b>	<b>100.00</b>

**Table 15: Shareholding Pattern by ownership**

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters @	11	0.08	3,813,443	4.30
Promoters Bodies Corporate	28	0.22	4,71,68,898	53.12
Central/State Governments	4	0.03	1,28,155	0.14
Financial Institutions	2	0.01	6,23,259	0.70
Mutual Funds	23	0.18	31,36,339	3.53
Foreign Institutional Investors	30	0.23	56,37,543	6.35
Insurance Companies	1	0.01	1,97,330	0.22
Bodies Corporates	433	3.35	35,78,663	4.03
NRI/Foreign Nationals	256	1.98	5,46,539	0.62
Foreign Bodies Corporates	1	0.01	75,00,000	8.45
Individuals/Others	12,129	93.90	1,64,63,134	18.54
<b>Total</b>	<b>12,918</b>	<b>100.00</b>	<b>8,87,93,303</b>	<b>100.00</b>

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

### Dematerialisation of Shares

As on 31st March 2016, 96.69% shares of the Company were held in the dematerialised form. The Promoters of the Company hold their entire shareholding in dematerialised form.

### Commodity Price Risk or Foreign Exchange Risk and hedging activities

No hedging activity was undertaken during the year under review.

### Outstanding GDRs/ADRs/Warrants/Options

Nil

### Details of Public Funding Obtained in the last three years

Nil

### Registrar and Transfer Agent

For Equity Shares:

Karvy Computershare Private Limited,

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda, Hyderabad – 500 032.

### Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days. 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

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# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Dalmia Bharat Limited

We have examined the compliance of conditions of Corporate Governance by **Dalmia Bharat Limited ("the Company")** for the year ended March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (erstwhile clause 49 of the Listing Agreement) with the documents and records maintained by the Company and the report on corporate governance as adopted by the Board of Directors.

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

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 Listing Regulations.

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

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N

**Sunil Wahal**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: August 17, 2016

## CFO-CEO CERTIFICATION

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

Dear Sirs,

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

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

Dated: 18-5-2016  
Place: New Delhi

Y.H. DALMIA  
Managing Director & Chief Executive Officer

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

Dear Sirs,

1. We have reviewed the Financial Statements and the Cash Flow Statements as at 31st March, 2016 and certify that to the best of our knowledge and belief:
  - 1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
  - 2) These Statements together present a true and fair view of the Company's 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such 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 over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

Dated: 18-5-2016  
Place: New Delhi

JAYESH DOSHI  
Wholetime Director &  
Group Chief Financial Officer

Y.H. DALMIA  
Managing Director &  
Chief Executive Officer

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# Financial Statements

## Independent Auditors' Report

To  
The Members of  
**Dalmia Bharat Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DALMIA BHARAT LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its 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, 2016 (the 'Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:

- i. The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **S. S. KOTHARI MEHTA & CO**  
*Chartered Accountants*  
Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No: 087294

Place: New Delhi

Date: May 18, 2016



## Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Limited dated May 18, 2016

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

- |   |   |
|---|---|
| <p>i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a program of physical verification of fixed assets that covers every item of fixed assets over a period of three years. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification undertaken during the year.</p> <p>(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company except for an immovable property having a gross block of Rs. 0.36 crore and net block of Rs. 0.07 crore is not yet registered in the name of the Company as at the balance sheet date.</p> <p>ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore the provisions of clause 3(ii) of the said Order are not applicable to the Company.</p> <p>iii. The Company has granted unsecured loans to three companies covered in the register maintained under Section 189 of the Companies Act, 2013 and out of the above, one company has fully repaid the loan amount:</p> <p>(a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;</p> <p>(b) The Company has granted tenure based as well as loans re-payable on demand to parties covered in the register maintained under section 189 of the Companies Act, 2013. The repayment of loans is as per tenure only. In respect of loans which are granted as re-payable on demand, we are informed that the Company has not demanded repayment of any such loans during the year and thus there has been no default on the part of the parties to whom the money has been advanced. The payment of interest has been regular.</p> <p>(c) Since there is no overdue amount as on the date, the relevant reporting is not applicable.</p> <p>iv. As per the information and explanation given to us and on the basis of our examination of the records, the company has</p> | <p>complied with provision of section 185 and 186 of the Act, with respect to the loans and investment made.</p> <p>v. As the Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable.</p> <p>vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.</p> <p>vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales-tax or service tax or duty of customs or duty of excise and value added tax which have not been deposited on account of any dispute.</p> <p>viii. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of loans or borrowings to a financial institutions, banks, debenture holders and Government.</p> <p>ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and with regard to total term loans raised, the Company has utilized the money for the purpose for which they were raised.</p> <p>x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.</p> |
|---|---|

- x. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has made preferential allotment of shares during the year in exchange for purchase of shares of one of its subsidiary company without payment being received in cash which is in compliance with the requirement of Section 42 of the Companies Act, 2013. The Company has not issued any fully or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. S. KOTHARI MEHTA & CO**  
*Chartered Accountants*  
Firm Registration No. 000756N

**Sunil Wahal**  
Partner

Place: New Delhi  
Date: May 18, 2016

Membership No: 087294

## Annexure B to the Independent Auditor's Report to the members of Dalmia Bharat Limited dated May 18, 2016 on its standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Dalmia Bharat Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a

process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. S. KOTHARI MEHTA & CO  
Chartered Accountants  
Firm Registration No. 000756N

Sunil Wahal

Partner

Membership No: 087294

Place: New Delhi

Date: May 18, 2016

## Balance Sheet as at March 31, 2016

(₹ Crore)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	17.76	16.24
Employee stock option outstanding		3.32	1.26
Reserves and surplus	3	1,232.44	564.83
		<b>1,253.52</b>	<b>582.33</b>
<b>Non-current liabilities</b>			
Long term borrowings	4	68.00	-
Long term provisions	5	16.07	10.30
		<b>84.07</b>	<b>10.30</b>
<b>Current liabilities</b>			
Short-term borrowings	6	150.00	-
Trade payables	7	20.08	11.51
Other current liabilities	8	17.93	4.01
Short-term provisions	9	8.05	22.02
		<b>196.06</b>	<b>37.54</b>
<b>Total</b>		<b>1,533.65</b>	<b>630.17</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	10.78	6.35
Intangible assets	10	0.62	0.73
Intangible assets under development		0.69	-
		<b>12.09</b>	<b>7.08</b>
Non-current Investments	11	876.09	258.04
Deferred Tax Assets (net)	12	0.76	0.13
Long term loans and advances	13	64.78	63.27
Other non-current assets	14	1.99	-
		<b>943.62</b>	<b>321.44</b>
<b>Current Assets</b>			
Current investments	15	43.44	185.20
Trade Receivables	16	36.57	28.35
Cash and Cash equivalents	17	5.62	8.66
Short-term loans and advances	18	492.31	79.44
		<b>577.94</b>	<b>301.65</b>
<b>Total</b>		<b>1,533.65</b>	<b>630.17</b>
<b>Significant accounting policies</b>	<b>1</b>		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

Chartered Accountants

Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No.: 087294

**Y. H. Dalmia**

Managing Director

DIN: 00009800

**Jai H. Dalmia**

Managing Director

DIN: 00009717

**Jayesh Doshi**

Wholesale Director & Group CFO

DIN: 00017963

**Nidhi Bisaria**

Company Secretary

Membership No. F5634

Place: New Delhi

Date: May 18, 2016

## Statement of Profit and Loss for the year ended March 31, 2016

(₹ Crore)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>INCOME</b>			
Revenue from operations (Gross)	19	204.31	175.30
Less: Excise duty		-	-
Revenue from operations (Net)		<b>204.31</b>	<b>175.30</b>
Other income	20	56.52	15.53
<b>Total</b>		<b>260.83</b>	<b>190.83</b>
<b>EXPENSES</b>			
Change in inventories of finished goods and work in progress	21	-	7.50
Employee benefits expenses	22	110.23	98.15
Other Expenses	23	59.76	44.40
Finance Cost	24	1.70	0.31
Depreciation and amortization expenses	10	2.94	3.66
<b>Total</b>		<b>174.63</b>	<b>154.02</b>
<b>Profit before tax</b>		<b>86.20</b>	<b>36.81</b>
<b>Tax expenses</b>			
Current tax		20.54	11.82
Deferred Tax charge / (Credit)		(0.63)	(0.39)
Prior year tax charge		0.74	0.28
<b>Total Tax Expenses</b>		<b>20.65</b>	<b>11.71</b>
<b>Profit after tax</b>		<b>65.55</b>	<b>25.10</b>
<b>Earning per share</b>	25		
Basic earnings Per Share (In ₹)		8.02	3.09
[Nominal Value of Share ₹2 (₹2) each]			
Diluted earnings Per Share (In ₹)		7.98	3.07
[Nominal Value of Share ₹2 (₹2) each]			
<b>Significant accounting policies</b>	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

Chartered Accountants

Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No.: 087294

**Y. H. Dalmia**

Managing Director

DIN: 00009800

**Jai H. Dalmia**

Managing Director

DIN: 00009717

**Jayesh Doshi**

Wholetime Director & Group CFO

DIN: 00017963

**Nidhi Bisaria**

Company Secretary

Membership No. F5634

Place: New Delhi

Date: May 18, 2016

## Cash Flow Statement for the year ended March 31, 2016

(₹ Crore)

	2015-16	2014-15
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	86.20	36.81
Adjustments		
Depreciation/Amortisation	2.94	3.66
Expense on employee stock option	2.33	1.26
Dividend income	(24.61)	(4.12)
Interest (net)	(9.87)	(9.18)
(Profit)/Loss on sale of Investments	(18.61)	(1.42)
<b>Operating profit before working Capital Changes</b>	<b>38.38</b>	<b>27.01</b>
<b>Adjustments for working capital changes :</b>		
Inventories	-	15.57
Trade payables, liabilities and provisions	22.02	(13.93)
Trade Receivables, loans and advances and other current assets	(15.06)	56.09
<b>Cash Generated from Operations</b>	<b>45.34</b>	<b>84.74</b>
Direct taxes paid	(21.86)	(23.01)
<b>Net cash from operating activities</b>	<b>23.48</b>	<b>61.73</b>
<b>B. Cash flow from/(used in) investing activities</b>		
Purchase of fixed assets	(7.97)	(2.22)
Proceeds from sale of fixed assets	0.02	0.07
(Purchase)/ sale of current investments (net)	160.37	(58.32)
(Purchase)/ sale of non current investments (net)	0.70	0.07
Loan given to related parties	(439.19)	-
Loan received back from related parties	34.00	16.00
Interest received	7.81	10.26
Dividend received from current investments	0.29	4.12
Dividend received from non current investments other than subsidiaries	0.89	-
Dividend received from subsidiaries	23.43	-
<b>Net cash (used in) investing activities</b>	<b>(219.65)</b>	<b>(30.02)</b>

## Cash Flow Statement *(Contd.)* for the year ended March 31, 2016

(₹ Crore)

	2015-16	2014-15
<b>C. Cash Flow from/(used in) Financing Activities</b>		
Proceeds from Long term borrowings	75.00	-
Proceeds/(Repayment) from short term borrowings	150.00	(7.98)
Proceeds from issue of shares	1.10	-
Finance cost	(1.70)	(0.31)
Dividend paid (including dividend distribution tax)	(31.27)	(19.00)
<b>Net cash from/ (used in) financing activities</b>	<b>193.13</b>	<b>(27.29)</b>
<b>Net increase/ (decrease) in cash and cash equivalents ( A+B+C )</b>	<b>(3.04)</b>	<b>4.42</b>
<b>Cash and cash equivalents ( opening Balance)</b>	<b>8.66</b>	<b>4.24</b>
<b>Cash and cash equivalents ( closing Balance)</b>	<b>5.62</b>	<b>8.66</b>
<b>Change in Cash &amp; Cash Equivalents</b>	<b>(3.04)</b>	<b>4.42</b>

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*

Firm Registration No. 000756N

**Sunil Wahal**

*Partner*

Membership No.: 087294

**Y. H. Dalmia**

*Managing Director*

DIN: 00009800

**Jai H. Dalmia**

*Managing Director*

DIN: 00009717

**Jayesh Doshi**

*Wholetime Director & Group CFO*

DIN: 00017963

**Nidhi Bisaria**

*Company Secretary*

Membership No. F5634

Place: New Delhi

Date: May 18, 2016

## Notes to Financial Statements for the year ended March 31, 2016

### 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. 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.

#### 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 on written down value using the rates arrived at based on the useful lives prescribed under Schedule II to the Companies Act, 2013.

#### 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:

	Useful life
Computer software	3 to 5 years



## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 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 II to the Companies Act, 2013, 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 II to the Companies Act, 2013.

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.

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

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.

#### Revenue from services

Revenues from management services are recognized as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

#### Interest

Interest income is recognized 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

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

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. All other exchange differences are recognised 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.

Performance linked deferred payment is the long term employee benefit for the purpose of measurement and are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

### **N. Employee Share based payments**

The Company follows intrinsic value method for valuation of Employee stock option in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The excess of market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee benefits expense and is amortised in the statement of profit and loss over the period of vesting.

### **O. Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. 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.

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

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.

### **P. 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.

### **Q. 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.

### **R. 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.

### **S. 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.

### **T. Cash and cash equivalents**

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

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 2. Share Capital

(₹ Crore)

	As at March 31, 2016	As at March 31, 2015
<b>Authorised :</b>		
10,00,00,000 (10,00,00,000) Equity Shares of ₹2/- each	20.00	20.00
	<b>20.00</b>	<b>20.00</b>
<b>Issued, Subscribed and Fully Paid Up :</b>		
8,87,93,303 (8,11,89,303) Equity Shares of ₹2/- each	17.76	16.24
	<b>17.76</b>	<b>16.24</b>

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	8,11,89,303	16.24	8,11,89,303	16.24
Add : Issued during the year	76,04,000	1.52	-	-
At the end of the year	8,87,93,303	17.76	8,11,89,303	16.24

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

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

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

During the year ended 31 March 2016, the amount of dividend per share recognised as distribution to equity shareholders is ₹2.00 (₹1.50).

#### 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 16	During a period of 5 years up to 31 Mar 15
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	-	8,09,39,303
Shares issued as consideration for purchase of shares of Dalmia Cement (Bharat) Limited without payment being received in cash	75,00,000	-

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	1,78,87,537	20.15%	1,78,87,537	22.03%
Shree Nirman Limited	77,53,890	8.73%	77,53,890	9.55%
KKR Mauritius Cements Investments Limited	75,00,000	8.45%	-	-
Sita Investment Company Limited	58,76,800	6.62%	58,76,800	7.24%
Ankita Pratisthan Limited	58,29,070	6.56%	58,29,070	7.18%

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 3. Reserves and surplus

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Business Restructuring Reserve</b>		
Opening balance as per last financial statements	469.69	469.69
Closing balance	469.69	469.69
<b>Securities Premium Reserve</b>		
Opening Balance as per last financial statements	-	-
Add: Addition during the year	618.60	-
Closing Balance	618.60	-
<b>General Reserve</b>		
Opening Balance as per last financial statements	17.31	14.80
Add: Amount transferred from surplus balance in the statement of profit and loss	-	2.51
Closing Balance	17.31	17.31
<b>Surplus in the statement of Profit and Loss</b>		
Balance as per last financial statements	77.83	70.19
Less: Depreciation on account of change in useful life of assets as per companies Act, 2013 (net of tax)	-	0.22
Add: Profit for the year	65.55	25.10
	<b>143.38</b>	<b>95.07</b>
Add: Provision for dividend distribution tax written back	1.64	-
Less: Appropriations		
Transfer to General Reserve	-	2.51
Proposed Dividend	-	12.18
Interim Dividend	17.76	-
Dividend distribution tax	0.42	2.55
Total Appropriations	18.18	17.24
<b>Net surplus in the statement of Profit and Loss</b>	<b>126.84</b>	<b>77.83</b>
<b>Total reserves and surplus</b>	<b>1,232.44</b>	<b>564.83</b>

### 4. Long Term Borrowings

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
Rupee term loan from bank	75.00	-
Less: Shown in current maturities of long term borrowings	7.00	-
	<b>68.00</b>	<b>-</b>

₹75.00 Cr (Nil) are secured by a first Pari Passu charge on all movable fixed assets, equitable mortgage on all immovable fixed assets of the Company and exclusive charge by way of hypothecation on receivables under management contracts with group companies at base rate (Presently 10.65%). It is repayable in 61 unequal monthly installments in the range of ₹1.00 Cr to ₹1.33 Cr each commencing from Septemebr 2016.

### 5. Long Term Provisions

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Provision for leave encashment	3.19	3.08
Provision for employee benefits	12.88	7.22
	<b>16.07</b>	<b>10.30</b>

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 6. Short Term borrowings

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Unsecured</b>		
Commercial Paper	150.00	-
	<b>150.00</b>	<b>-</b>

Commercial papers referred above are payable in next three months and carry interest rate in the range of 9.40% to 9.95% per annum.

### 7. Trade payables

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer Note 30)		
- Micro and Small Enterprises	-	-
- Others	20.08	11.51
	<b>20.08</b>	<b>11.51</b>

### 8. Other current liabilities

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long term borrowings	7.00	-
Interest accrued but not due on borrowings	0.02	-
Security deposit received	-	0.08
Directors' Commission payable	0.40	0.21
Unclaimed Dividend*	3.66	1.17
Capital creditors	0.21	-
Other liabilities		
- Statutory dues	4.66	2.55
- Others	1.98	-
	<b>17.93</b>	<b>4.01</b>

\* Not due for deposit in Investor Education & Protection Fund

### 9. Short term provisions

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Provision for leave encashment	2.02	1.50
Provision for employee benefits	6.03	5.79
Proposed dividend on equity shares	-	12.18
Dividend distribution tax	-	2.55
	<b>8.05</b>	<b>22.02</b>

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 10. Fixed Assets

	Tangible										Intangible*	Grand Total
	Land	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Computer Software			
<b>Cost</b>												
as at 1st April, 2014	0.09	1.74	4.84	1.66	2.31	2.92	8.82	22.38	0.65		23.03	
Additions during the year	-	-	-	0.45	0.13	-	0.83	1.41	0.92		2.33	
Disposals during the year	-	-	-	-	-	0.34	0.49	0.83	-		0.83	
<b>as at 31st March, 2015</b>	<b>0.09</b>	<b>1.74</b>	<b>4.84</b>	<b>2.11</b>	<b>2.44</b>	<b>2.58</b>	<b>9.16</b>	<b>22.96</b>	<b>1.57</b>		<b>24.53</b>	
Additions during the year	3.30	-	-	-	1.75	0.92	1.50	7.47	0.29		7.76	
Disposals during the year	-	1.74	-	-	-	0.35	0.41	2.50	-		2.50	
<b>as at 31st March, 2016</b>	<b>3.39</b>	<b>-</b>	<b>4.84</b>	<b>2.11</b>	<b>4.19</b>	<b>3.15</b>	<b>10.25</b>	<b>27.93</b>	<b>1.86</b>		<b>29.79</b>	
<b>Depreciation/Amortisation</b>												
as at 1st April, 2014	-	1.34	2.87	1.15	1.61	1.17	5.53	13.67	0.54		14.21	
Charge for the year	-	0.06	0.10	0.29	0.28	0.55	2.42	3.70	0.30		4.00	
On Disposals	-	-	-	-	-	0.28	0.48	0.76	-		0.76	
<b>as at 31st March, 2015</b>	<b>-</b>	<b>1.40</b>	<b>2.97</b>	<b>1.44</b>	<b>1.89</b>	<b>1.44</b>	<b>7.47</b>	<b>16.61</b>	<b>0.84</b>		<b>17.45</b>	
Charge for the year	-	0.01	0.10	-	0.50	0.46	1.47	2.54	0.40		2.94	
On Disposals	-	1.41	-	-	-	0.19	0.40	2.00	-		2.00	
<b>as at 31st March, 2016</b>	<b>-</b>	<b>-</b>	<b>3.07</b>	<b>1.44</b>	<b>2.39</b>	<b>1.71</b>	<b>8.54</b>	<b>17.15</b>	<b>1.24</b>		<b>18.39</b>	
<b>Net Block</b>												
as at 31st March, 2015	0.09	0.34	1.87	0.67	0.55	1.14	1.69	6.35	0.73		7.08	
as at 31st March, 2016	3.39	-	1.77	0.67	1.80	1.44	1.71	10.78	0.62		11.40	

\*Other than internally generated



## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 11. Non-current Investments (Long term)

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Trade</b>		
<b>A. Equity Shares</b>		
<b>Unquoted</b>		
25 (25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	((144))	((144))
<b>Investments in Subsidiaries</b>		
<b>Equity Shares</b>		
<b>Unquoted</b>		
234,251,187 (215,000,000) Shares of ₹10/- each fully paid up in Dalmia Cement (Bharat) Limited	834.39	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	0.50
50,000 (Nil) Shares of ₹10/- each fully paid up in Adwetha Cement Holdings Limited	0.05	837.26
		-
		218.46
<b>Investment in other Companies, Non-Trade</b>		
<b>Equity Shares (Quoted)</b>		
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
<b>Equity Shares (Unquoted)</b>		
20 (20) Shares of ₹10/- each fully paid up in Asian Refractories Limited (under liquidation)	((200))	((200))
Nil (49,290) Shares of ₹10/- each fully paid up in Dalmia Electrodyne Technologies (P) Limited.	-	1.75
250 (250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	((2500))	((2500))
	-	1.75
Less: Provision for diminution in value of Investments	-	1.75
		-
<b>B. Venture Capital Fund (Unquoted)</b>		
1,188 (1,188) Units of ₹79,930/- (₹86,750/-) each fully paid up in Urban Infrastructure Opportunities Fund	9.64	10.39
<b>C. Tax free Bonds (quoted)</b>		
8.30% NHAI tax free bonds	0.25	0.25
<b>Total</b>	<b>876.09</b>	<b>258.04</b>
Quoted (including mutual funds):		
Book Value	29.19	29.19
Market Value	147.92	26.08
Book Value of Unquoted Investments	846.90	228.85
Aggregate Provision for diminution in value of Investments	-	1.75

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

### 12. Deferred Tax Liabilities / Assets

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Deferred Tax assets/ liabilities are attributable to the following items :		
<b>Liabilities</b>		
Depreciation	-	0.24
	-	<b>0.24</b>
<b>Assets</b>		
Expenses allowable for tax purposes when paid	0.61	0.37
Depreciation	0.15	-
	<b>0.76</b>	<b>0.37</b>
<b>Deferred tax assets (net)</b>	<b>0.76</b>	<b>0.13</b>

### 13. Long term Loans and Advances

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>(Considered good and unsecured unless otherwise stated)</b>		
Loans and advances		
- Employees@	1.16	0.99
- Related parties (Refer Note 39)	7.38	7.32
- Others	27.08	29.14
Prepaid Expenses	0.81	-
Security deposit made	2.02	0.70
Advance Income Tax {net of provision for Tax ₹32.53 Cr (₹11.93 Cr)}	26.33	25.12
	<b>64.78</b>	<b>63.27</b>
@ Due from officers	1.16	0.99

### 14. Other Non Current Assets

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Deposits with maturity of more than 12 months (pledged with bank)	1.99	-
	<b>1.99</b>	

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 15. Current Investments

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Units of Mutual Funds (Quoted)</b>		
Debt based schemes	31.53	173.29
<b>Equity shares</b>		
<b>Quoted</b>		
5,20,400 (5,20,400) Shares of ₹1/- each fully paid up in The Ramco 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
<b>Total</b>	<b>43.44</b>	<b>185.20</b>
Quoted (including Mutual Funds):		
Book Value	43.44	185.20
Market Value	64.81	208.21
Aggregate Provision for diminution in value of Investments	-	-

### 16. Trade Receivables

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>a) Receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Considered good		
Unsecured	0.55	1.17
Considered doubtful	0.06	-
Less: Provision for Doubtful receivables	0.06	-
	0.55	1.17
<b>b) Other receivables</b>		
Considered good		
Unsecured	36.02	27.18
	<b>36.57</b>	<b>28.35</b>

### 17. Cash and cash equivalents

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Cash on hand	0.04	0.07
Cheques on hand	0.59	3.01
Balances with Banks :		
- On current accounts	1.33	4.41
- Un paid Dividend account	3.66	1.17
	<b>5.62</b>	<b>8.66</b>

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

### 18. Short term loans and advances (Considered good and unsecured unless otherwise stated)

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Loans		
Employees @	1.28	1.13
Related parties (Refer Note 39)	439.19	34.00
Others	40.00	40.00
Prepaid Expenses	2.91	0.40
Interest Receivable	6.24	2.48
Advances recoverable in cash or in kind or for value to be received		
Related parties	-	0.07
Others	1.56	1.21
Deposits and Balances with Government Departments and other authorities	1.13	0.15
	<b>492.31</b>	<b>79.44</b>
@ Due from officers	1.28	1.13

### 19. Revenue from Operations

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Refractory goods	-	6.70
Management services	186.04	154.19
Brand Fee	18.07	14.41
Other Operating revenue	0.20	-
	<b>204.31</b>	<b>175.30</b>

### 20. Other Income

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend		
from non-current Investments from Subsidiary company	23.43	-
from non-current Investments (other than Subsidiary)	0.89	-
from current Investments	0.29	4.12
Interest Income	11.57	9.49
Profit on sale of Non-Current Investments	0.21	0.41
Profit on sale of Current Investments	18.42	1.01
Less: Loss on sale of Current Investments	0.02	-
Miscellaneous Receipts	1.73	0.50
	<b>56.52</b>	<b>15.53</b>

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 21. Change in inventories of finished goods and work in progress

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Finished goods (Refractory)</b>		
- Closing stock	-	-
- Opening stock	-	6.80
	-	<b>6.80</b>
<b>Work-in-Progress</b>		
- Closing stock	-	-
- Opening stock	-	0.70
	-	<b>0.70</b>
<b>(Increase) / decrease</b>	-	<b>7.50</b>

### 22. Employee benefits expense

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, Wages and Bonus	97.87	87.95
Contribution to Provident Fund and Other Funds	3.86	3.51
Expenses on Employees Stock Options Scheme	2.33	1.26
Workmen and Staff Welfare expenses	6.17	5.43
	<b>110.23</b>	<b>98.15</b>

### 23. Other expenses

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	4.15	2.67
Professional Charges	15.76	6.28
Rates and Taxes	1.66	0.17
Travelling Expenses	6.18	6.93
Computer Expenses	6.02	6.19
Advertisement and Publicity	8.41	9.86
Exchange Loss	-	0.03
Corporate social responsibility expenses*	0.88	0.85
Miscellaneous Expenses	16.70	11.42
	<b>59.76</b>	<b>44.40</b>
*Corporate social responsibility expenses		
Gross amount required to be spent during the year	0.70	0.82
Amount spent during the year		
- Construction/acquisition of any asset	-	-
- On purpose other than above	0.88	0.85

### 24. Finance Costs

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Interest</b>		
- On term loans	0.22	-
- On short term borrowings	1.19	0.09
Other borrowing cost	0.29	0.22
	<b>1.70</b>	<b>0.31</b>

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 25. Earning Per Share

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Basic EPS</b>		
Net Profit for calculation of Basic EPS (₹ Cr.)	65.55	25.10
Total number of equity shares outstanding at the end of the year	8,87,93,303	8,11,89,303
Weighted average number of equity shares for calculation of Basic EPS	8,16,93,079	8,11,89,303
Basic EPS (₹)	8.02	3.09
<b>Diluted EPS</b>		
Net Profit for calculation of Diluted EPS (₹ Cr.)	65.55	25.10
Weighted average number of equity shares for calculation of Basic EPS	8,16,93,079	8,11,89,303
Add : Weighted average number of potential equity shares	4,93,660	5,46,534
Weighted average number of equity shares for calculation of diluted EPS	8,21,86,739	8,17,35,837
Diluted EPS (₹)	7.98	3.07

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

Particulars	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts	-	-
Guarantees/Counter Guarantees given to banks on account of loan given by the banks to Bodies Corporate (Subsidiary Company)	275.00	-
Total	275.00	-

### 27. Capital and other commitment

Particulars	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.38	-
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

### 28. Remuneration paid to auditors (included in miscellaneous expenses):

Particulars	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Statutory auditors</b>		
i) Audit Fee	0.06	0.04
ii) Tax Audit Fee	0.01	0.01
iii) Other services	0.03	0.01
iv) For Expenses	-	0.01

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

29. 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 these are stated in the Balance Sheet.

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

(₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

31. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

### 32. CIF Value of Imports

(₹ Crore)

Particulars	2015-16	2014-15
CIF Value of Imports	-	-

### 33. Expenditure in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2015-16	2014-15
Professional fees	-	0.09
Travelling expenses	0.25	0.25
Computer expenses	0.04	-
Others	0.01	0.01
<b>Total</b>	<b>0.30</b>	<b>0.35</b>

### 34. Earnings in foreign currency (Accrual basis):

(₹ Crore)

Particulars	2015-16	2014-15
Earnings in foreign currency	-	-

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

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

### 36. 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 expenses (recognised in employee benefit expenses)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	0.99	0.99	2.80	2.79
Interest Cost	0.64	0.41	-	-
Expected return on plan assets	(0.47)	(0.51)	-	-
Net Actuarial (Gain)/ Loss	(0.74)	2.31	-	-
<b>Total Expense</b>	<b>0.42</b>	<b>3.20</b>	<b>2.80</b>	<b>2.79</b>
Actual return on plan assets	0.47	0.46	-	-

#### Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Present value of obligation as at year-end	8.81	8.59	25.39	17.10
Fair value of plan assets as at year-end	5.66	5.82	24.93	16.77
Funded status {( Surplus)/(Deficit)}	(3.15)	(2.77)	(0.46)	(0.33)
<b>Net Asset / (Liability) as at year end</b>	<b>(3.15)</b>	<b>(2.77)</b>	<b>(0.46)</b>	<b>(0.33)</b>

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	8.59	5.12	17.10	8.92
Interest Cost	0.64	0.41	1.75	1.02
Contribution by plan participation / employees	-	-	4.17	3.76
Current service cost	0.99	0.99	2.80	2.79
Actuarial (gains)/ losses on obligation	(0.74)	2.26	0.13	0.24
Benefit paid	(0.67)	(0.19)	(0.53)	(0.31)
(Settlements)/ Transfer in	-	-	(0.03)	0.68
Closing defined benefit obligation	8.81	8.59	25.39	17.10



## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 36. Gratuity and Other Post Employment Benefit Plans (contd.)

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

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Opening fair value of plan assets	5.82	5.54	16.77	8.83
Expected return on plan assets	0.47	0.51	1.70	0.80
Contribution by employer	0.09	0.07	2.80	2.79
Contribution by plan participant / employee	-	-	4.17	3.76
Benefit paid	(0.67)	(0.19)	(0.53)	(0.31)
(Settlements)/ Transfer in	-	-	(0.03)	0.69
Actuarial gains/ (losses) on plan assets	(0.00)	(0.11)	0.05	0.21
Adjustment to opening balance	(0.05)	-	-	-
<b>Closing fair value of plan assets</b>	<b>5.66</b>	<b>5.82</b>	<b>24.93</b>	<b>16.77</b>

The Company expects to contribute ₹5.00 Cr (₹3.68 Cr.) to gratuity fund in 2016-17.

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)	
	2015-16	2014-15	2015-16	2014-15
Qualifying Insurance Policy	100%	99.5%	-	-
Bank Balance	-	0.5%	-	-
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 benefit plans for the Company are shown below:

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Discount Rate	7.50%	7.75%	7.89%	7.90%
Expected rate of return on assets	8.50%	9.00%	8.80%	8.75%
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
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:

Particulars	Gratuity (Funded)					PF Trust (Funded)				
	2015-16	2014-15	2013-14	2012-13	2011-12	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	8.81	8.59	5.12	3.69	2.59	25.39	17.10	8.92	8.76	7.46
Plan assets	5.66	5.82	5.54	3.54	2.50	24.93	16.77	8.83	8.83	7.42
Surplus/ (deficit)	(3.15)	(2.77)	0.42	(0.15)	(0.09)	(0.46)	(0.33)	(0.09)	0.07	(0.04)
Experience adjustment on plan asset (Loss) / Gain	(0.00)	(0.04)	(0.03)	(0.01)	-	0.05	0.22	-	-	-
Experience adjustment on plan liabilities (Loss) / Gain	(0.85)	(2.18)	(0.23)	(0.34)	(0.05)	(0.13)	(0.26)	-	-	-

Contribution to Defined Contribution Plans:

Particulars		
	2015-16	2014-15
Contribution to Provident Fund / Pension Fund/Superannuation funds	3.78	3.43

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

### 37. Employee share based payments

Employee stock option scheme 2011-“ESOP 2011” was approved by the shareholders of the company in their meeting held on 26th May, 2011. The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiaries. Details of options granted under “ESOP 2011” are as under:

Particulars	Tranche I	Tranche II	Tranche III
Nos. of Options	10,75,000	2,40,000	4,50,000
Method of Accounting	Intrinsic value	Intrinsic value	Intrinsic value
Method of Settlement	Equity settlement	Equity settlement	Equity settlement
Vesting Plan	Graded vesting over a period of 5 years (10% after one year, 10% after 2 years, 20% after 3 years, 30% after 4 years and 30% after 5 years) linked with individual performance and achievement of targeted share price.	Graded vesting over a period of 5 years (10% after two years, 15% after 3 years, 20% after 4 years, 25% after 5 years and 30% after 6 years) linked with individual performance and achievement of targeted share price.	Graded vesting over a period of 5 years (10% after two years, 15% after 3 years, 20% after 4 years, 25% after 5 years and 30% after 6 years) linked with individual performance and achievement of targeted share price.
Exercise Period	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	18-5-2012	29-1-2015	3-2-2016
Grant Price (₹ Per share)	105.50	217.23	383.53
30 days weighted average market Price on the date of Grant of Option (₹ Per share)	131.875	434.46	767.06
Discount on 30 days weighted average Price	20%	50%	50%
Contractual life	8 years	9 years	9 years

#### a) Movement of options granted:

(₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding at the beginning of the year	7,88,000	6,70,500
Granted/Revived during the year	4,86,000	2,40,000
Exercised during the year	1,04,000	-
Forfeited during the year	1,11,000	48,000
Expired during the year	-	74,500
Outstanding at the end of the year	10,59,000	7,88,000

#### b) Movement of Exercisable Options:

(₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Exercisable at the beginning of the year	-	-
Vested during the year	1,04,000	-
Exercised during the year	1,04,000	-
Vested Options forfeited	-	-
Options exercisable at the end of the year	-	-

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

38. The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The company is having only one primary segment of management services. There are no reportable geographical segments.

### Segment Information

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

Segment Particulars	(₹ Crore)		
	Management Services	Others	Total
<b>Revenue</b>			
Gross Revenue	204.31	-	204.31
	(168.60)	(6.70)	(175.30)
Less: Inter Segment Revenue	-	-	-
	-	-	-
<b>Net Revenue</b>	204.31	-	204.31
	(168.60)	(6.70)	(175.30)
<b>Results</b>			
Segment result	33.11	-	33.11
	(22.25)	(-0.16)	(22.09)
Less: Finance Cost			1.70
			(0.31)
Add: Other unallocable income net of unallocable expenditure			54.79
			(15.03)
Profit before tax			86.20
			(36.81)
Tax expense			20.65
			(11.71)
Profit after tax			65.55
			(25.10)
<b>Assets</b>	585.32	1.03	586.35
	(159.84)	(1.84)	(161.68)
Non Segments Assets			947.30
			(468.49)
<b>Total Assets</b>			1,533.65
			(630.17)
<b>Liabilities</b>	205.10	0.03	205.13
	(32.66)	(0.44)	(33.10)
Non Segments liabilities			75.00
			(14.74)
<b>Total Liabilities</b>			280.13
			(47.84)
Depreciation	2.94	-	2.94
	(3.98)	(0.02)	(4.00)
Capital Expenditure	7.76	-	7.76
	(2.33)	-	(2.33)

## Notes to Financial Statements *(contd.)* for the year ended March 31, 2016

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

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

#### Related Parties where control exists:-

##### Subsidiaries of the Company

Dalmia Cement (Bharat) Limited, Dalmia Power Limited, Kanika Investment Limited, Adwetha Cement Holdings Limited (w.e.f. 05-01-2016).

##### Subsidiaries of Dalmia Cement (Bharat) Limited

Adhunik Cement Limited, Arjuna Brokers & Minerals Limited, Calcom Cement India Limited, D.I. Properties Limited, Dalmia Cement Bharat Holdings Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Golden Hills Resort Private Limited, Hemshila Properties Limited, Ishita Properties Limited, Jayevijay Agro farms Pvt Ltd, OCL India Limited, Rajputana Properties Private Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauphapani 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 and Bangaru Kamakshi Amman Agro Farms Private Limited (w.e.f. 29-04-15).

##### Subsidiaries of Dalmia Minerals & Properties Limited

Cosmos Cements Limited, Sutnga Mines Private Limited

##### Subsidiary of Adhunik Cement Limited

Adhunik MSP Cement (Assam) Limited

##### Subsidiaries of Calcom Cement India Limited

Vinay Cements Limited

##### Subsidiary of Vinay Cements Limited

RCL Cements Limited and SCL Cements Limited

##### Subsidiary of Dalmia Power Limited

DCB Power Ventures Limited

##### Subsidiary of Dalmia Cement Bharat Holdings Limited

Shri Rangam Securities & Holdings Limited

##### Subsidiary of Shri Rangam Securities & Holdings Limited

Dalmia Cement East Limited (formerly known as Bokaro Jaypee Cement Ltd.)

##### Subsidiaries and step down subsidiaries of OCL India Limited

Odisha Cement Limited, OCL China Ltd., OCL Global Ltd.

##### Joint Ventures of the Subsidiary Company Dalmia Cement (Bharat) Limited

Khappa Coal Company Private Limited

##### Joint Ventures of the Subsidiary Company OCL India Limited

Radhikapur (West) Coal Mining Private Limited

#### Related parties with whom transaction were taken place during the year.

##### Key Management Personnel of the Company

Shri Jai Hari Dalmia – Managing Director, Shri Yadu Hari Dalmia- Managing Director, Shri Gautam Dalmia- Director, Shri Puneet Yadu Dalmia – Director, Shri Jayesh Doshi- Whole time Director

##### Enterprises controlled by the Key Management Personnel of the Company

Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Himshikhar Investment Limited.

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 39. Related Party Disclosure as required by Accounting Standard-18. (contd.)

a) 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	-	98.76	92.80	-	-	12.02	203.58
	(-)	(89.20)	(46.09)	(21.82)	(-)	(26.37)	(183.48)
Reimbursement of expenses – receivable	-	0.38	-	-	-	0.17	0.55
	(-)	(0.58)	(0.11)	(-)	(-)	(0.31)	(1.00)
Reimbursement of expenses – payable	-	2.67	0.19	-	-	0.14	3.00
	(-)	(1.07)	(0.24)	(-)	(-)	(0.22)	(1.53)
Purchase of goods and services	-	-	-	-	-	2.33	2.33
	(-)	(-)	(-)	(-)	(-)	(3.47)	(3.47)
Interest Received	-	2.6	1.56	-	-	3.14	7.3
	(-)	(-)	(1.21)	(-)	(-)	(4.05)	(5.26)
Dividend Received	-	23.43	-	-	-	0.89	24.32
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Dividend Paid	-	-	-	-	-	0.33	0.33
	(-)	(-)	(-)	(-)	(-)	(0.19)	(0.19)
Loans and Advances given	-	467.57	-	-	-	-	467.57
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shares purchased	-	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Directors sitting fees	-	-	-	-	0.06	-	0.06
	(-)	(-)	(-)	(-)	(0.04)	(-)	(0.04)
Salary and Perquisites*	-	-	-	-	6.27	-	6.27
	(-)	(-)	(-)	(-)	(3.94)	(-)	(3.94)
Guarantee Given on behalf of subsidiary	-	275	-	-	-	-	275
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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

- Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹98.76 Cr (Previous Year ₹89.20 Cr), OCL India Limited ₹59.24 Cr (Previous Year ₹27.24 Cr), Calcom Cement India Limited ₹17.46 Cr (Previous Year ₹17.79 Cr), Adhunik Cement Limited ₹9.22 Cr (Previous Year ₹15.31 Cr), Dalmia Cement East Limited ₹5.02 Cr (Previous Year ₹0.08 Cr), DCB Power Ventures Limited ₹1.86 Cr (Previous Year ₹3.08 Cr), Dalmia Bharat Cements Holdings Limited Nil (Previous Year ₹4.37 Cr), D.I. Properties Limited Nil (Previous Year ₹0.01 Cr), Geetee Estates Limited Nil (Previous Year ₹0.01 Cr), Shri Rangam properties Limited Nil (Previous Year ₹0.01 Cr), Sri Dhandauthapani Mines & Minerals Limited Nil (Previous Year ₹0.01 Cr), Dalmia Bharat Sugar and Industries Limited ₹10.54 Cr (Previous Year ₹10.75 Cr), Dalmia Refractories Limited ₹1.48 Cr (Previous Year ₹15.62 Cr).
- Reimbursement of expenses – receivable includes transaction with Dalmia Cement (Bharat) Limited ₹0.38 Cr (Previous Year ₹0.58 Cr), Dalmia Cement East Limited ₹ Nil (Previous Year ₹0.11 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.17 Cr (Previous Year ₹0.31 Cr).
- Reimbursement of expenses – payable includes transaction with Dalmia Cement (Bharat) Limited ₹2.67 Cr (Previous Year ₹1.07 Cr), Calcom Cement India Limited ₹0.02 Cr (Previous Year ₹0.04 Cr), Adhunik Cement Limited ₹ Nil (Previous Year ₹0.20 Cr), Dalmia Cement East Limited ₹0.17 Cr (Previous Year Nil) Dalmia Bharat Sugar and Industries Limited ₹0.14 Cr (Previous Year ₹0.22 Cr).
- Purchase of goods and services includes transaction with Dalmia Bharat Sugar and Industries Limited ₹2.33 Cr (Previous Year ₹3.47 Cr).

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

### 39. Related Party Disclosure as required by Accounting Standard-18. (contd.)

5. Interest received includes transaction with Adwetha Cement Holdings Limited ₹2.60 Cr (Previous Year Nil), Calcom Cement India Limited ₹1.02 Cr (Previous Year ₹0.82 Cr), Adhunik Cement Limited ₹0.54 Cr (Previous Year ₹0.39 Cr), Dalmia Bharat Sugar and Industries Limited ₹3.14 Cr (Previous Year ₹3.75 Cr), Dalmia Refractories Limited Nil (Previous Year ₹0.30 Cr).
6. Dividend received includes transaction with Dalmia Cement (Bharat) Limited ₹23.43 Cr (Previous Year Nil), Dalmia Bharat Sugar and Industries Limited ₹0.89 Cr (Previous Year Nil).
7. Dividend paid includes transaction with Dalmia Bharat Sugar and Industries Limited ₹0.33 Cr (Previous Year ₹0.19 Cr).
8. Loan and advances given includes transaction with Dalmia Power Limited ₹0.06 Cr (Previous Year Nil), Adwetha Cement Holdings Limited ₹467.51 Cr (Previous Year Nil).
9. Share purchased includes transaction with Dalmia Power Limited ₹0.05 Cr (Previous Year Nil).
10. Director sitting fees includes transaction with Sh Gautam Dalmia ₹0.03 Cr (Previous year ₹0.02 Cr) and Sh. Puneet Yadu Dalmia ₹0.03 Cr (Previous year ₹0.02 Cr)
11. Salary & Perquisites includes transaction with Sh. Jai Hari Dalmia ₹1.76 Cr (Previous Year ₹1.12 Cr), Sh. Yadu Hari Dalmia ₹2.24 Cr (Previous Year ₹2.82 Cr), Shri Jayesh Doshi ₹2.27 Cr (Previous year Nil)
12. Guarantee given includes guarantee given by Company on behalf of Dalmia Power Limited ₹275.00 Cr. (Previous year Nil)

#### b) 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	-	446.57	-	-	-	-	446.57
	(-)	(7.32)	(-)	(-)	(-)	(34.00)	(41.32)
Amounts receivable	-	15.46	22.76	-	-	2.15	40.37
	(-)	(2.34)	(24.30)	(-)	(-)	(1.17)	(27.81)
Amounts payable	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Guarantee Given on behalf of subsidiary	-	275.00	-	-	-	-	275.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

1. Loan receivable includes Dalmia Power Limited ₹7.38 Cr (Previous Year ₹7.32 Cr), Adwetha Cement Holdings Limited ₹439.19 Cr (Previous Year Nil), Dalmia Bharat Sugar and Industries Limited Nil (Previous Year ₹34.00 Cr).
2. Amount receivable includes Dalmia Cement (Bharat) Limited ₹13.12 Cr (Previous Year ₹2.34 Cr), Adwetha Cement Holdings Limited ₹2.34 Cr (Previous Year Nil), Adhunik Cement Limited ₹3.65 Cr (Previous Year ₹4.41 Cr), Calcom Cements India Limited ₹5.44 Cr (Previous Year ₹4.59 Cr.), OCL India Limited ₹8.81 Cr (Previous Year ₹10.26 Cr), Dalmia Bharat Cement Holdings Limited ₹4.48 Cr (Previous Year ₹4.48 Cr), Dalmia Cement East Limited ₹0.37 Cr (Previous Year ₹0.19 Cr), Sri Dhandauthapani Mines & Minerals Limited ₹0.01 Cr (Previous Year ₹0.01 Cr), D.I. Properties Limited Nil (Previous Year ₹0.01 Cr), Geetee Estates Limited Nil (Previous Year ₹0.01 Cr), Shri Rangam properties Limited Nil (Previous Year ₹0.01 Cr), Hemshila Properties Limited Nil (Previous Year ₹0.01 Cr), DCB Power Ventures Limited Nil (Previous Year ₹0.33 Cr), Dalmia Bharat Sugar and Industries Limited ₹1.70 Cr (Previous Year ₹0.49 Cr), Dalmia Refractories Limited ₹0.45 Cr (Previous Year ₹0.67 Cr).
3. Amount payable includes transaction with Dalmia Bharat Sugar and Industries Limited Nil (Previous Year ₹0.02 Cr).
4. Guarantee given includes guarantee given by Company on behalf of Dalmia Power Limited ₹275.00 Cr. (Previous year Nil)

## Notes to Financial Statements (contd.) for the year ended March 31, 2016

40. 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)

(₹ Crore)

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
	2015-16	2015-16	2014-15	2014-15
Loans and Advances to subsidiary :-				
Dalmia Power Limited	7.38	7.38	7.32	7.32
Adwetha Cement Holdings Limited	439.19	439.19	-	-

Note: Investments in subsidiaries are disclosed in Note 11.

41. The company has given loans / advances to various companies. Loans amount outstanding as at year end is given in below mentioned table along with purpose of the loan.

(₹ Crore)

Name of Company	Amount outstanding	
	As at March 31, 2016	As at March 31, 2015
<b>Short term loan given for general Corporate purposes</b>		
Rewas Ports Limited @10% p.a.	40.00	40.00
Dalmia Bharat Sugar and Industries Limited @10% p.a.	-	34.00
Adwetha Cement Holdings Limited @ 11% p.a.	439.19	-
<b>Long term loan given for general Corporate purposes</b>		
Dalmia Power Limited (interest free)	7.38	7.32
<b>Long term loan given for employees welfare</b>		
DBL Employees Welfare Trust (interest free)	27.08	27.32

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

Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No.: 087294

**Y. H. Dalmia**

Managing Director

DIN: 00009800

**Jai H. Dalmia**

Managing Director

DIN: 00009717

**Jayesh Doshi**

Wholtime Director & Group CFO

DIN: 00017963

**Nidhi Bisaria**

Company Secretary

Membership No. F5634

Place: New Delhi

Date: May 18, 2016

## INDEPENDENT AUDITOR'S REPORT – REVISED

To  
The Members of  
**Dalmia Bharat Limited**

### **Report on the Consolidated Financial Statements (Revised)**

We have audited the accompanying consolidated financial statements of Dalmia Bharat Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the consolidated balance sheet as at 31st March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

We had earlier issued a modified audit report on 18th May 2016 with a qualified opinion as the audited accounts of four step down subsidiaries were not available as explained in the basis of qualified opinion paragraph of that report. Subsequent to our said report, we have been provided with the audited accounts of the said four step down subsidiaries of the Holding Company.

At the time of issuance of our auditor's report dated 18th May 2016, these step down subsidiaries were consolidated based on management certified accounts due to dispute between the shareholders. As per guidance of the Institute of Chartered Accountants of India, where audited accounts of a material subsidiary are not available, the auditor should consider a qualified opinion, which we adopted. We now observe that there are no changes in the financial numbers of the audited accounts when compared with management certified accounts originally consolidated. Therefore the financial statements are now being signed with unmodified audit report. The dispute between the shareholders of one step down subsidiary is presently sub-judice at the National Company Law Tribunal, Guwahati Bench (earlier pending at Company Law Board, Kolkata) the matter is described in note no.32.B & 62 to the consolidated financial statements.

This revised report is issued in terms of Standard of Auditing (SA) 560, 'Subsequent Events' and should be read in conjunction with our earlier audit report dated 18th May 2016, attached as annexure 'II'.

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



#### Other Matters

- a) We did not audit the financial statements/financial information of one jointly controlled entity, three subsidiaries and thirty two step down subsidiaries whose financial statements reflect total assets of ₹8,525.20 crores as at 31st March, 2016, total revenues of ₹4,184.74 crores and net cash outflows amounting to ₹11.78 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step down subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements/financial information of one jointly controlled entity whose financial statements/financial information reflect total assets of ₹3.60 crore as at 31st March, 2016, total revenues of ₹0.12 crore and net cash flows amounting to ₹0.09 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and certified & furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the jointly controlled entity, is based solely on such unaudited & management certified financial statements. In our opinion and according to the information and explanations given to us by the Management, the financial statements of this jointly controlled entity is not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries/step down subsidiaries and jointly controlled entities incorporated in India, none of the directors of the Group companies and jointly controlled entities incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure I";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 32, 59, 60 & 62 to the consolidated financial statements;
  - The Group and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts; and
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary/step down subsidiary companies and jointly controlled entity incorporated in India.

For **S. S. KOTHARI MEHTA & CO**  
Chartered Accountants  
Firm Registration No. 000756N

Place: New Delhi  
Original Date: May 18, 2016  
Modified Date: August 17, 2016

**Sunil Wahal**  
Partner  
Membership No: 087294

## Annexure I to the Independent Auditor's Report - Revised to the Members of Dalmia Bharat Limited dated August 17, 2016 on its consolidated financial statements

Revised Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

### Our reporting on the internal financial controls over financial reporting is not applicable in respect of two step down audited subsidiaries incorporated outside India

In conjunction with our audit of the consolidated financial statements (Revised) of Dalmia Bharat Limited as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls Over Financial Reporting of **Dalmia Bharat Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, all incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group and jointly controlled entities internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Group and Jointly controlled entities incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

- a. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one

jointly controlled entity, three subsidiaries and thirty step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

- b. In our aforesaid reports we are unable to comment under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one jointly controlled entity which is company incorporated in India for which no corresponding report of the auditors of such company is available as the accounts are management certified.

For **S. S. KOTHARI MEHTA & CO**  
*Chartered Accountants*  
Firm Registration No. 000756N

Place: New Delhi  
Original Date: May 18, 2016  
Modified Date: August 17, 2016

**Sunil Wahal**  
Partner  
Membership No: 087294

## Annexure II Independent Auditors' Report

To  
The Members of  
**Dalmia Bharat Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dalmia Bharat Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the consolidated balance sheet as at 31st March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence

about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis for Qualified Opinion

*We invite attention to Note 62 in the consolidated financial statements, in case of four step down subsidiaries of the Holding Company not audited by us, whose consolidated financial statements/financial information reflect total assets of ₹1,390.30 crore as at 31st March, 2016 and total revenues of ₹410.45 crore and net cash outflows amounting to ₹3.53 crore for the year ended on that date, have been considered in these consolidated financial statements. The financial statements/information of four step down subsidiaries is based on management certified accounts due to dispute between the shareholders. The matter, which is presently sub-judice at the Company Law board and are being addressed by the management, impact of which, if any, on these consolidated financial statements is not ascertainable at this stage and our opinion in so far as it relates to the amounts and disclosures included in respect of the four step down subsidiaries is based solely on the unaudited information provided by the Management of the four step down subsidiaries.*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements/financial information of one jointly controlled entity, three subsidiaries and twenty eight step down subsidiaries whose financial statements reflect total assets of ₹7,134.89 crores as at 31st March, 2016, total revenues of ₹3,774.28 crores and net cash outflows amounting to ₹8.25 crores

for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step down subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

- b) We did not audit the financial statements/financial information of one jointly controlled entity whose financial statements/financial information reflect total assets of ₹3.60 crore as at 31st March, 2016, total revenues of ₹0.12 crore and net cash flows amounting to ₹0.09 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and certified & furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the jointly controlled entity, is based solely on such unaudited & management certified financial statements. In our opinion and according to the information and explanations given to us by the Management, the financial statements of this jointly controlled entity is not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries/step down subsidiaries and jointly controlled entities incorporated in India, none of the directors of the Group companies and jointly controlled entities incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 32, 59, 60 & 62 to the consolidated financial statements;
  - Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the Group and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts; and
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary/step down subsidiary companies and jointly controlled entity incorporated in India.

For **S. S. KOTHARI MEHTA & CO**  
*Chartered Accountants*  
Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No: 087294

Place: New Delhi

Date: May 18, 2016

## Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Limited dated May 18, 2016 on its consolidated financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

### **Our reporting on the internal financial controls over financial reporting is not applicable in respect of two step down audited subsidiaries incorporated outside India**

In conjunction with our audit of the consolidated financial statements of Dalmia Bharat Limited as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls Over Financial Reporting of **Dalmia Bharat Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, all incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group and jointly controlled entities internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Group and Jointly controlled entities incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

- a. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one

jointly controlled entity, three subsidiaries and twenty six step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

- b. In our aforesaid reports we are unable to comment under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four step down subsidiaries and one jointly controlled entity which are companies incorporated in India for which no corresponding report of the auditors of such companies is available as the accounts are management certified.

For **S. S. KOTHARI MEHTA & CO**  
*Chartered Accountants*  
Firm Registration No. 000756N

Place: New Delhi  
Date: May 18, 2016

**Sunil Wahal**  
Partner  
Membership No: 087294

## Consolidated Balance Sheet as at March 31, 2016 (Revised)

(₹ Crore)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	17.76	16.24
Employee stock option outstanding		3.32	1.26
Reserves and surplus	3	3,835.80	3,052.66
		<b>3,856.88</b>	<b>3,070.16</b>
<b>Preference capital held by others</b>		<b>0.70</b>	<b>0.70</b>
<b>Minority interest</b>		<b>356.86</b>	<b>746.96</b>
<b>Deferred capital investment subsidy</b>		<b>116.27</b>	<b>27.33</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	7,626.06	7,222.71
Deferred Tax Liability (Net)	5	567.43	400.59
Other long-term liabilities	6	296.36	297.94
Long term provisions	7	62.26	46.07
		<b>8,552.11</b>	<b>7,967.31</b>
<b>Current liabilities</b>			
Short-term borrowings	8	868.60	682.10
Trade payables	9	913.60	744.25
Other current liabilities	10	1,104.12	1,115.91
Short-term provisions	11	188.61	48.79
		<b>3,074.93</b>	<b>2,591.05</b>
<b>Total</b>		<b>15,957.75</b>	<b>14,403.51</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill on consolidation		2,718.18	1,964.28
<b>Fixed assets</b>			
Tangible assets	12	7,604.43	5,815.76
Intangible assets	12	7.23	7.57
Capital work-in-progress		270.18	1,914.23
		<b>10,600.02</b>	<b>9,701.84</b>
Non-current investments	13	102.64	104.04
Long term loans and advances	14	665.06	450.40
Other non-current assets	15	4.55	14.49
		<b>772.25</b>	<b>568.93</b>
<b>Current Assets</b>			
Current investments	16	2,472.60	1,582.94
Inventories	17	708.29	729.32
Trade receivables	18	494.64	510.06
Cash and cash equivalents	19	248.32	528.08
Short-term loans and advances	20	655.81	781.59
Other current assets	21	5.82	0.75
		<b>4,585.48</b>	<b>4,132.74</b>
<b>Total</b>		<b>15,957.75</b>	<b>14,403.51</b>
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No. 000756N

Sunil Wahal

Partner

Membership No.: 087294

Place : New Delhi

Date: 17th August, 2016

Y. H. Dalmia

Managing Director

DIN: 00009800

Jayesh Doshi

Wholesale Director & Group CFO

DIN: 00017963

Nidhi Bisaria

Company Secretary

Membership No. F5634



## Statement of Consolidated Profit and Loss for the year ended March 31, 2016 (Revised)

(₹ Crore)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I. Income</b>			
Revenue from operations (gross)	22	7,327.50	3,998.62
Less: Excise duty		889.55	484.50
Revenue from operations (net)		6,437.95	3,514.12
Other income	23	164.21	93.34
<b>Total Revenue (I)</b>		<b>6,602.16</b>	<b>3,607.46</b>
<b>II. Expenses</b>			
Cost of materials consumed	24	1,067.46	488.54
Freight on clinker transfer		104.09	8.08
Purchase of stock in trade		49.08	47.94
Change in inventories of finished goods, work in progress and stock in trade	25	(12.95)	2.22
Employee benefits expenses	26	506.45	277.41
Other expenses	27	3,145.21	2,087.42
<b>Total (II)</b>		<b>4,859.34</b>	<b>2,911.61</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>1,742.82</b>	<b>695.85</b>
Finance costs	28	725.64	434.38
Depreciation and amortization expenses	12	452.76	271.58
<b>Profit/ (loss) before exceptional item and tax</b>		<b>564.42</b>	<b>(10.11)</b>
Exceptional Items		-	(6.12)
<b>Profit / (Loss) before tax</b>		<b>564.42</b>	<b>(16.23)</b>
<b>Tax expense</b>			
Current tax		220.40	46.29
MAT (credit entitlement) / charge		(88.04)	(32.93)
		132.36	13.36
Deferred tax		166.84	35.92
Prior year tax charge / (written back)		(0.12)	(2.42)
<b>Total tax expense</b>		<b>299.08</b>	<b>46.86</b>
<b>Profit/ (loss) after tax before share of profit in associates</b>		<b>265.34</b>	<b>(63.09)</b>
<b>Add: Share of profit in associates</b>		<b>-</b>	<b>48.53</b>
<b>Less: Share of minority interest</b>		<b>74.53</b>	<b>(17.61)</b>
<b>Profit after tax</b>		<b>190.81</b>	<b>3.05</b>
<b>Earning per share</b>	29		
Basic Earnings Per Share (In ₹)		23.36	0.38
[Nominal Value of Share ₹2 (₹2) each]			
Diluted Earnings Per Share (In ₹)		23.22	0.37
[Nominal Value of Share ₹2 (₹2) each]			
<b>Significant accounting policies</b>	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

Chartered Accountants

Firm Registration No. 000756N

**Sunil Wahal**

Partner

Membership No.: 087294

Place : New Delhi

Date: 17th August, 2016

**Y. H. Dalmia**  
Managing Director  
DIN: 00009800

**Jayesh Doshi**  
Wholetime Director & Group CFO  
DIN: 00017963

**Nidhi Bisaria**  
Company Secretary  
Membership No. F5634

## Consolidated Cash Flow Statement for the year ended March 31, 2016 (Revised)

(₹ Crore)

	2015-16	2014-15
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) before tax</b>	564.42	(16.23)
Adjustments		
Depreciation/Amortisation	452.76	271.58
Provision for doubtful debts/advances	1.69	3.72
Expenses on employee stock option	2.33	1.26
Bad debts written off	1.71	0.96
Dividend Income	(7.41)	(5.63)
Finance cost	725.64	434.38
Interest Income	(37.32)	(21.76)
(Profit)/Loss on sale of Investments (net)	(105.55)	(61.33)
Assets written off/Loss on sale of assets	1.19	5.56
<b>Operating Profit before working Capital Changes</b>	<b>1599.46</b>	<b>612.51</b>
<b>Adjustments for working Capital changes :</b>		
Inventories	21.03	42.32
Trade Payables, Liabilities and Provisions	394.88	(103.87)
Trade Receivables, Loans and Advances and Other Current Assets	(78.82)	129.23
<b>Cash generated from operations</b>	<b>1,936.55</b>	<b>680.19</b>
Direct taxes paid	(45.81)	(135.36)
<b>Net cash from operating activities</b>	<b>1,890.74</b>	<b>544.83</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed Assets including CWIP.	(392.87)	(497.11)
Proceeds from sale of Fixed Assets	7.63	1.84
(Purchase)/ Sale of Current Investments (net)	(784.11)	(600.31)
(Purchase)/ Sale of Non Current Investments (net)	1.41	(3.75)
Acquisition of subsidiaries	(600.01)	(2,026.27)
Loans / received back	50.00	16.00
Interest Received	40.19	17.04
Dividend received from non current investments	0.90	-
Dividend Received from current investments	6.51	5.63
<b>Net Cash used in Investing activities</b>	<b>(1,670.35)</b>	<b>(3,086.93)</b>

## Consolidated Cash Flow Statement (Contd.) for the year ended March 31, 2016 (Revised)

(₹ Crore)

	2015-16	2014-15
<b>C. Cash Flow from Financing activities</b>		
Proceeds / from Short term Borrowings (net)	186.50	64.50
Proceeds / from Long term Borrowings (net)	226.35	3,433.98
Proceeds from issue of shares	1.10	-
Finance cost	(860.66)	(543.17)
Dividend / Interim dividend paid	(42.85)	(16.24)
Dividend Distribution tax paid	(10.59)	(2.76)
Distribution tax on dividend from associates	-	(1.86)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(500.15)</b>	<b>2,934.45</b>
<b>Net increase / (decrease) in cash and cash equivalents ( A+B+C )</b>	<b>(279.76)</b>	<b>392.35</b>
<b>Cash and cash equivalents ( Opening Balance)</b>	<b>528.08</b>	<b>84.39</b>
<b>Add: Additions on acquisition of subsidiaries</b>	<b>-</b>	<b>51.34</b>
<b>Cash and cash equivalents ( Closing Balance)</b>	<b>248.32</b>	<b>528.08</b>
<b>Change in Cash &amp; Cash Equivalents</b>	<b>(279.76)</b>	<b>392.35</b>

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  
Firm Registration No. 000756N

**Sunil Wahal**  
Partner  
Membership No.: 087294

Place : New Delhi  
Date: 17th August, 2016

**Y. H. Dalmia**  
Managing Director  
DIN: 00009800

**Jayesh Doshi**  
Wholetime Director & Group CFO  
DIN: 00017963

**Nidhi Bisaria**  
Company Secretary  
Membership No. F5634

## Notes to Consolidated Financial Statements for the year ended March 31, 2016 (Revised)

### 1. Significant accounting policies

#### A. Basis of preparation

The Consolidated Financial Statements ("CFS") 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 determined in accordance with schemes.

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/ Parent") 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 statement of Consolidated Profit and Loss 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, 2016).

#### 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.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 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.

#### Expenditure on new projects:

Direct expenses relating to construction activities are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activities or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activities nor are incidental thereto are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

Till the time project is capitalised, all direct expenditure relating to construction of project as well as administrative and indirect cost attributable to the construction of the project and/or bringing it to the working conditions for intended use, are capitalized as "Pre-operative Expenses".

### E. Depreciation on tangible fixed assets

(a) Depreciation on fixed assets is calculated on a straight line basis (except to the extent stated in para (b) below) using the rates arrived at based on the useful lives estimated by the management or those prescribed under Schedule II to the Companies Act, 2013, whichever is lower. The group has estimated the useful live different from rates prescribed in Schedule II in the following cases:--

	<u>Useful life</u>
i) Polysius Kiln assets	9 years
ii) Certain DG sets and workshop appliances	5 years
iii) Power plants in southern India	25 years
iv) Assets of its step down subsidiary OCL China Limited	
a. House and Building	20 years
b. Machinery and mechanic equipment	10 years
c. Means of Transportaion	4 years
d. Electronic equipment	3 years

(b) Depreciation on Head office assets and certain assets of OCL India Limited is provided using the reducing balance method in the manner and at the rates specified in Schedule II to the Companies Act, 2013 (except plant and machinery added in cement & refractory after 31-12-81 excluding additions in Kapilas Cement Works, Clinkerisation unit at Rajgangpur (Line-II), Captive Power Plant, Bengal Cement Works & Solar Power Plant).

(c) Land bearing mineral reserves is amortized over its estimated commercial life based on the unit of production method.

(d) Component Accounting

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013, from 1st April 2015. Due to application of Schedule II to the Companies Act, 2013, the Group has changed the manner of depreciation for its plant, property and equipment. Now, the group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The group has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1st April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1st April 2015, is depreciated over their remaining useful lives.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

Impact of change in accounting policy - Due to adoption of component accounting as required under Schedule II to the Companies Act, 2013 from 1st April 2015, depreciation charge for the current year is higher by ₹52.49 Cr. and profit for the current year is lower by ₹52.49 Cr.

### 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:

	Useful life
Computer software	3 to 6 years
	(Except in case of its step down subsidiary OCL China Limited, in which useful life is estimated as 10 years)

### 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 II to the Companies Act, 2013, 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 II to the Companies Act, 2013.

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.

## Notes to Consolidated Financial Statements *(contd.)* for the year ended March 31, 2016 (Revised)

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.

## Notes to Consolidated Financial Statements *(contd.)* for the year ended March 31, 2016 (Revised)

### 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.

#### Revenue from services

Revenues from management services are recognized as and when services are rendered. The group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

#### 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.

In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

##### 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. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. 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 employee state insurance 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.



## Notes to Consolidated Financial Statements *(contd.)* for the year ended March 31, 2016 (Revised)

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

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

Performance linked deferred payment is the long term employee benefit for the purpose of measurement and are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

### Q. Employee Share based payments

The Company follows intrinsic value method for valuation of Employee stock option in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The excess of market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee benefits expense and is amortised in the statement of profit and loss over the period of vesting.

### R. 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.

### S. 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.

## Notes to Consolidated Financial Statements *(contd.)* for the year ended March 31, 2016 (Revised)

### **Allocation of common costs**

Common allocable cost 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.

### **T. Earnings per share**

Basic earnings per share is 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.

### **U. 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.

### **V. 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.

### **W. 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.

### **X. Measurement of EBITDA**

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 cost and tax expense.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 2. Share Capital

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised :</b>		
10,00,00,000 (10,00,00,000) Equity Shares of ₹2/- each	20.00	20.00
	<b>20.00</b>	<b>20.00</b>
<b>Issued, Subscribed and Fully Paid Up :</b>		
88,793,303 (81,189,303) Equity shares of ₹2/- each	17.76	16.24
	<b>17.76</b>	<b>16.24</b>

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	8,11,89,303	16.24	8,11,89,303	16.24
Add : Issued during the year	76,04,000	1.52	-	-
At the end of the year	<b>8,87,93,303</b>	<b>17.76</b>	<b>8,11,89,303</b>	<b>16.24</b>

#### 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 2016, the amount of dividend per share recognized as distribution to equity shareholders was ₹2.00 (₹1.50).

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

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

	During a period of 5 years up to 31 Mar 16	During a period of 5 years up to 31 Mar 15
	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	-	8,09,39,303
Shares issued as consideration for purchase of shares of Dalmia Cement (Bharat) Limited without payment being received in cash	75,00,000	-

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	1,78,87,537	20.15%	1,78,87,537	22.03%
Shree Nirman Limited	77,53,890	8.73%	77,53,890	9.55%
KKR Mauritius Cements Investments Limited	75,00,000	8.45%	-	-
Sita Investment Company Limited	58,76,800	6.62%	58,76,800	7.24%
Ankita Pratisthan Limited	58,29,070	6.56%	58,29,070	7.18%

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 3. Reserves and surplus

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Capital Reserve</b>		
Opening balance as per last financial statements	11.18	11.19
Less: Capital subsidy	(0.06)	(0.01)
<b>Closing balance</b>	<b>11.12</b>	<b>11.18</b>
<b>Business Restructuring Reserve</b>		
Opening balance as per last financial statements	2,581.81	2,578.66
Add: Additions during the year	-	3.15
<b>Closing balance</b>	<b>2,581.81</b>	<b>2,581.81</b>
<b>Securities Premium Reserve</b>		
Opening balance as per last financial statements	458.70	458.70
Add: Additions during the year	618.60	-
<b>Closing balance</b>	<b>1,077.30</b>	<b>458.70</b>
<b>General Reserve</b>		
Opening balance as per last financial statements	137.31	14.80
Add: Transfer from surplus balance in statement of profit and loss	-	122.51
<b>Closing balance</b>	<b>137.31</b>	<b>137.31</b>
<b>Reserve Fund as per RBI</b>		
Opening balance as per last financial statements	0.03	0.03
Add: Created during the year	0.28	-
<b>Closing balance</b>	<b>0.31</b>	<b>0.03</b>
<b>Debenture Redemption Reserve</b>		
Opening balance as per last financial statements	171.46	90.00
Add: Created during the year	130.20	113.96
Less: released during the year	95.83	32.50
<b>Closing balance</b>	<b>205.83</b>	<b>171.46</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance as per last financial statements	0.16	-
Add: Arised during the year	0.96	0.16
<b>Closing balance</b>	<b>1.12</b>	<b>0.16</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	58.50	292.91
Add: Amount transferred from debenture redemption reserve	95.83	32.50
Add: Profit for the year	190.81	3.05
Less: Written down value of fixed assets whose life have expired as at April 1, 2014 adjusted as per Companies Act, 2013 (net of tax)	-	5.13
Add: Dividend Distribution Tax written back	1.64	-
Less: Appropriations		
Transfer to Debenture Redemption Reserve	130.20	113.96
Transfer to General Reserve	-	122.51
Transfer to Reserve fund as per RBI	0.28	-
Proposed dividend on equity shares	-	19.32
Interim dividend on equity shares	23.53	-
Dividend Distribution Tax	5.05	7.18
Distribution tax on dividend from associates	-	1.86
Total appropriations	<b>159.06</b>	<b>264.83</b>
<b>Net surplus in the statement of profit and loss</b>	<b>187.72</b>	<b>58.50</b>
<b>Total reserves and surplus</b>	<b>4,202.52</b>	<b>3,419.15</b>
Less: Minority interest	366.72	366.49
	<b>3,835.80</b>	<b>3,052.66</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 4. Long term borrowings

(₹ Crore)

	As at		As at	
	March 31, 2016		March 31, 2015	
<b>Secured</b>				
<b>A. Redeemable non-convertible debentures</b>	2,333.45		2,344.67	
Less: Shown in current maturities of long term borrowings	70.67	2,262.78	86.21	2,258.46
<b>B. Term loans:</b>				
i. From Banks	4,534.66		4,288.16	
Less: Shown in current maturities of long term borrowings	200.67	4,333.99	391.77	3,896.39
ii. From others	1,134.66		1,111.37	
Less: Shown in current maturities of long term borrowings	105.37	1,029.29	64.64	1,046.73
<b>C. Deferred payment liabilities</b>	-		0.03	
Less: Shown in current maturities of long term borrowings	-	-	0.03	-
<b>Total secured long term borrowings</b>		<b>7,626.06</b>		<b>7,201.58</b>
<b>Unsecured</b>				
<b>D. Deferred payment liabilities</b>	21.13		53.32	
Less: Shown in current maturities of long term borrowings	21.13	-	32.19	21.13
<b>Total unsecured long term borrowings</b>		<b>-</b>		<b>21.13</b>
<b>Total long term borrowings</b>		<b>7,626.06</b>		<b>7,222.71</b>

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

- i) 9.91%, Series C ₹330.00 Cr (Nil) are secured by pledge of investments by Dalmia Cement (Bharat) Limited & redeemable in January 2021.
- ii) 9.91%, Series B ₹330.00 Cr (Nil) are secured by pledge of investments by Dalmia Cement (Bharat) Limited & redeemable in January 2020.
- iii) 9.91%, Series A ₹340.00 Cr (Nil) are secured by pledge of investments by Dalmia Cement (Bharat) Limited & redeemable in January 2019.
- iv) 10.75%, Series 1A ₹100.00 Cr (₹100.00 Cr.) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram cement unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018. For ₹18.75 Cr (₹18.75 Cr), interest rate swap has been taken @9.20% payable on USD 3,033,490 (USD 30,33,490).
- v) 11.00%, Series 1B ₹100.00 Cr (₹100.00 Cr.) are secured by a first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram cement 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.
- vi) 10.75%, Series IIIA, B,C and IVP,Q,R ₹210.00 Cr (₹210.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram cement unit and movable and immovable fixed assets (excluding plant and machinery charged on exclusive basis to specific lenders) of Cuddapah and Ariyalur cement unit & redeemable in three yearly instalments commencing from Aug 2017.
- vii) 10.35%, Series XIII ₹33.33 Cr (₹66.67 Cr) are secured by a first pari-passu charge on the Immovable properties of Cement unit at Dalmiapuram & redeemable in May 2016.
- viii) 10.50%, Series II P Nil (₹1000.00 Cr.) were secured by pledge of investments by Dalmia Cement (Bharat) Limited & redeemed in Jan, 2016 after exercising call option.
- ix) 8.87%, Series XI Nil (₹20.00 Cr) were secured by a first pari-passu charge on all the movable and immovable properties of Cement unit at Dalmiapuram (except inventories and trade receivables) & redeemed in May 2015.
- x) 12.87% ₹191.12Cr. (₹200.00 Cr.) are secured by pledge of shares by Dalmia Bharat Cement Holdings Limited & redeemable in 5 unequal yearly installments till October 2020.
- xi) 9.90% ₹600.00 Cr (₹600.00 Cr) are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of OCL India Limited repayable in 3 equal yearly installments commencing from March 2020.
- xii) 10.80% ₹24.00 Cr (₹48.00 Cr) is secured by first pari passu charge over fixed assets (present & future) of cement division of OCL India Limited repayable in Feb 2017.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

- xiii) 9.90% to 10.45% series I,II,III,IV & V non convertible debentures of ₹75.00 Cr (Nil) is secured by first pari-passu charge on immovable property of Ariyalur power plant, further secured by pari-passu charge on movable assets and cash flows at dalmiapuram power plant, ariyalur power plant and cash flows of belgaum power plant.
- 2) Term Loans from Banks referred to in B (i) above to the extent of :
- i) ₹90.00 Cr (₹95.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram cement unit at base rate plus 0.95% (present 10.60%). It is repayable within 5 unequal annual installment in the range of ₹5.00 Cr to ₹30.00 Cr each from Mar, 2016.
  - ii) ₹200.00 Cr (₹200.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram cement Unit at base rate plus 1.05% (present 10.55%). It is repayable within 24 equal quarterly installments commencing from December 2016.
  - iii) ₹20.67 Cr (₹32.45 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 cement 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.
  - iv) Nil (₹206.50 Cr) are secured by exclusive first charge on land and building and hypothecation of all the fixed assets of Cement units at Cuddapah and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments cement for cement projects at Cuddapah & Ariyalur acquired under foreign currency loan at base rate plus 1.00% (present 11.20%). it is prepaid in April,2015
  - v) ₹771.99 Cr (₹779.79 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 0.75% (present 10.05%). It is repayable in unequal quarterly installment in the range of ₹1.95 Cr to ₹27.29 Cr each till Mar 2030.
  - vi) ₹50.00 Cr (₹50.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Ariyalur and Cuddapah cement Unit at base rate plus 1.05% (present 10.55%). It is repayable within 24 equal quarterly installments commencing from December 2016.
  - vii) ₹100.00 Cr (₹100.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets (excluding plant and machinery charged on exclusive basis to specific lenders) of Cuddapah and Ariyalur cement unit at base rate plus 1.05%, presently 10.55% & redeemable in 20 quarterly instalments commencing from Sep 2017.
  - viii) ₹110.00 Cr (₹110.00 Cr) are secured by a first pari-passu charge on movable and immovable fixed assets of Cuddapah and Ariyalur cement Unit at base rate plus 0.18% (present 10.83%). It is repayable within 36 unequal quarterly installments commencing from May 2018.
  - ix) ₹1,026.99 Cr (₹871.04 Cr) are secured by a first charge by way of mortgage over all the immovable properties, assets and movable fixed assets of Belgaum Project, second charge on entire fixed assets of Dalmia Cement (Bharat) Limited and lien of Investment of ₹43.00 Cr. at base rate plus 1.50% (present 10.80%). 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.
  - x) ₹54.97 Cr (₹59.88 Cr) 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 cement projects at Belgaum. The Loan has been availed in foreign currency repayable in 16 half yearly installments of USD 0.06 Cr. each till Oct, 22.
  - xi) ₹16.28 Cr (₹27.01 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% presently 11.20%. It is repayable in unequal quarterly installments in the range of ₹0.76 Cr to 2.49 Cr till October 2019.
  - xii) ₹145.50 Cr (₹149.25 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% presently 11.50%. It is repayable in 24 unequal quarterly installments in the range of ₹0.75 Cr to 16.50 Cr commencing from March 2015 till December, 2020.
  - xiii) ₹307.30 Cr (₹350.00 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 1.50% presently 10.80%. It is repayable within 32 unequal quarterly installments in the range of ₹2.09 Cr to 13.28 Cr commencing from June, 2015 to March,2023.
  - xiv) ₹593.56 Cr (₹568.68 Cr) including Funded interest term loan of ₹31.14 Cr (₹41.02 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

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

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 ₹60.00 Cr (₹145.00 Cr) is also secured by corporate guarantee issued by Dalmia Cement (Bharat) Limited. The Loan is payable in unequal quarterly instalments till Sep 2021 and carry interest in the range of 4% to 12.75%.

- xv) ₹237.08 Cr (₹239.47 Cr.) are secured by first pari passu charge on all movable and immovable assets (present and future) of Bokaro plant at base rate plus 0.45% presently 10.70% repayable in 57 unequal installments of ₹1.20 Cr to ₹6.00 Cr each commencing from Feb 2016.
  - xvi) Nil (₹82.65 Cr.) was secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd.
  - xvii) Nil (₹50.00 Cr.) was secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd.
  - xviii) Nil (₹5.31 Cr) was secured by first pari passu charge on fixed assets of cement division of OCL India Ltd and second charge on current assets of cement division of OCL India Ltd.
  - xix) ₹1.93 Cr (₹5.53 Cr.) is secured by the guarantee given by OCL India Ltd @ 5.54% and 5.81% repayable in quarterly instalments till October, 2016.
  - xx) ₹14.29 Cr (₹16.27 Cr.) is secured by the guarantee given by OCL India Ltd @ 6.35% to be repaid by June, 2016.
  - xxi) Nil (₹17.42 Cr) was secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd.
  - xxii) ₹0.36 Cr (₹0.43 Cr.) is secured by first and exclusive charge on the vehicle purchased out of the said loan @10% p.a. payable in monthly instalment till Jan 2020.
  - xxiii) ₹153.73 Cr (₹153.73 Cr.) is secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd at base rate plus 0.75% presently 10.05% repayable in 40 quarterly installments from Mar 2019.
  - xxiv) ₹125.00 Cr (₹117.75 Cr.) is secured by exclusive charge on all immovable and movable fixed assets pertaining to the power project, project land owned by Dalmia Cement (Bharat) Limited, all book debts, operating cash flows (escrow), receivables, commissions and revenues of the power project at Belgaum at base rate plus 0.45% (present 10.70%). It is repayable in 48 unequal quarterly installments in the range of ₹1.25 Cr to ₹3.75 Cr from Dec 2017.
  - xxv) ₹50.00 Cr (Nil) is secured by first pari-passu charge on immovable property of Ariyalur power plant, further secured by pari-passu charge on movable assets and cash flows at dalmiapuram power plant, ariyalur power plant and cash flows of belgaum power plant after commissioning at 10.10%. It is repayable in 27 equal quarterly installments in the range of ₹1.50 Cr to ₹9.50 Cr from Sep 2018.
  - xxvi) ₹115.00 Cr (Nil) is secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd @ 9.85% repayable in 27 quarterly installments from Dec 2021.
  - xxvii) ₹275.00 Cr (Nil) is secured by the first pari passu charge on the immovable fixed assets, all the current assets, movable fixed assets of Dalmia Bharat Limited (both present and future). Loan is further secured by unconditional and irrevocable corporate guarantee of Dalmia Bharat Limited. Loan is further secured by first pari passu charge on all the current assets of Dalmia Power Limited and all the movable fixed assets pertaining to project of Dalmia Power Limited (both present and future) and exclusive charge over fixed deposit amounting to ₹28.00 Cr. duly lien marked in favor of the bank.
  - xxviii) ₹75.00 Cr (Nil) are secured by a first Pari Passu charge on all movable fixed assets, equitable mortgage on all immovable fixed assets of the company and exclusive charge by way of hypothecation on receivables under management contracts with group companies at base rate (Presently 10.65%) . It is repayable in 61 unequal monthly installments in the range of ₹1.00 Cr to ₹1.33 Cr each commencing from Septemebr 2016.
- 3) Term Loans from others referred to in B (ii) above to the extent of:
- i) ₹378.65 Cr (₹312.00 Cr) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2018-19 but repayment schedule is yet to be

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

finalised.

- ii) ₹140.93 Cr (₹141.93 Cr) 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.
  - iii) ₹15.69 Cr (₹17.73 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 by September 2021.
  - iv) ₹185.60 Cr (₹176.57 Cr.) is secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd @ 5.25% to 5.55% p.a. repayable in 14 half yearly installments from June 16.
  - v) ₹31.57 Cr (₹63.14 Cr.) is secured by first ranking mortgage and hypothecation on all movable and immovable assets (present and future) excluding current assets of cement division of OCL India Ltd @ 8.25% to 10.8% p.a. repayable in 4 half yearly equal installments till October 16.
  - vi) ₹382.22 Cr. (₹400.00 Cr.) is secured by pledge of shares by Dalmia Bharat Cement Holdings Limited and carrying interest @ 12.75% p.a. & repayable in 5 unequal yearly installments commencing from October 2015.
- 4) Deferred Payment Liabilities referred to in C above were secured by hypothecation of vehicles purchased against it and repaid in equated monthly instalments by March, 2016.
  - 5) Interest free, ₹21.13 Cr (₹53.32 Cr) deferred payment liabilities referred to in D above are repayable after 10 years from date of deferral and is payable in monthly instalments of ₹0.05 Cr to ₹7.67 Cr till FY 2016-17.

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

Description	Type	₹ Cr	Period of default	Subsidiary
Installment of Foreign currency loan	Installment	5.00	Less than 365 days	Calcom Cement India Ltd
Installment of Foreign currency loan	Installment	0.48	More than 365 days	Calcom Cement India Ltd
Interest on Foreign currency Loan	interest	4.04	Less than 365 days	Calcom Cement India Ltd
Interest on Foreign currency Loan	interest	4.42	More than 365 days	Calcom Cement India Ltd

### 5. Deferred tax liabilities (Net)

(₹ Crore)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax assets/ liabilities are attributable to the following items :		
<b>Liabilities</b>		
Depreciation	635.17	501.89
	<b>635.17</b>	<b>501.89</b>
<b>Assets</b>		
Expenses allowable for tax purpose when paid	19.07	9.88
Provision for doubtful debts and advances	12.94	14.43
Unabsorbed depreciation	29.51	54.62
Others	6.22	22.37
	<b>67.74</b>	<b>101.30</b>
<b>Net</b>	<b>567.43</b>	<b>400.59</b>

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



## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 6. Other Long Term Liabilities

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Security deposit received	293.37	259.28
Retention money payable	1.06	5.41
Trade Payable	-	31.51
Other liabilities	1.93	1.74
	<b>296.36</b>	<b>297.94</b>

### 7. Long Term Provisions

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Mines reclamation liability (Refer Note 47)	11.92	9.76
Provision for leave encashment	15.51	13.30
Provision for employee benefits	34.83	23.01
	<b>62.26</b>	<b>46.07</b>

### 8. Short term borrowings

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
A. Rupee loan from Banks	218.59	279.96
B. Foreign currency loan	257.60	209.73
C. Short Term Loan	50.00	50.00
<b>(A)</b>	<b>526.19</b>	<b>539.69</b>
<b>Unsecured</b>		
D. From Others	7.41	7.41
E. Commercial Paper	335.00	135.00
<b>(B)</b>	<b>342.41</b>	<b>142.41</b>
<b>Total short term borrowings (A+B)</b>	<b>868.60</b>	<b>682.10</b>

- A) Rupee loans from Banks referred to in A above to the extent of:  
₹218.59 Cr (₹279.96 Cr) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari passu on inter se basis repayable in next one year and carry interest rate in the range of 9.65% p.a. to 11.30% p.a. ₹6.42 Cr (₹14.64 Cr) is also secured by second charge on fixed assets of Calcom Cement India Limited. ₹115.77 Cr (₹79.43 Cr.) is further secured by second charge on entire fixed assets of Adhunik Cement Limited. ₹10.20 Cr (₹109.20 Cr.) is further secured by second charge on fixed assets of cement division of OCL India Limited.
- B) Foreign Currency Loans from Banks referred to in B above to the extent of:  
₹257.60 Cr (₹209.73 Cr) 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 passu on inter se basis repayable in less than one year and carry interest at LIBOR Plus 0.20% to 0.39% (presently 0.601% p.a to 1.0084% p.a.). ₹82.18 Cr (₹22.70) is further secured by second charge on fixed assets of cement division of OCL India Limited.
- C) Short term loan referred to in C above to the extent of ₹50.00 Cr (₹50.00 Cr.) is secured by subservient hypothecation charge on all moveable fixed asset, present and future, all intangible assets both present and future, including but not limited to goodwill, trademarks and patents and undertakings and all current asset of Calcom Cement India Limited. This facility is additionally secured by further pledge of 30% shares in CCIL held by Dalmia Group, negative lien on the balance shareholding of the Dalmia Group and corporate guarantee of Dalmia Cement (Bharat) Limited.
- D) Loan from others referred to in D above are payable within next 6 months to 1 year and carry interest @ 12% to 18% p.a.
- E) Commercial papers referred to in E above are payable in next three months and carry interest rate in the range of 9.15% to 9.95% p.a.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 9. Trade payables

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Micro & Small Enterprises	-	-
Others	913.60	744.25
	<b>913.60</b>	<b>744.25</b>

### 10. Other current liabilities

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long term borrowings	397.84	574.84
Interest accrued but not due on borrowings	75.27	47.38
Interest accrued and due on borrowings	13.48	7.32
Advances from customers	75.16	57.63
Security deposit received	45.38	31.52
Capital creditors	122.67	86.82
Directors' commission payable	3.68	1.38
Unclaimed dividend*	5.77	2.24
Purchase consideration payable	91.39	98.70
Liability towards EPCG obligations (Refer Note 49 )	56.56	54.22
Other liabilities		
- Statutory dues	186.33	125.83
- Others	30.59	28.03
	<b>1,104.12</b>	<b>1,115.91</b>

\* Not due for deposit in Investor Education & Protection Fund

### 11. Short term provisions

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Provision for tax (net of advance tax ₹78.67 Cr (₹5.98 Cr))	143.93	4.28
Provision for employee benefits	18.68	11.89
Proposed dividend on equity shares	-	19.32
Dividend distribution tax	-	7.18
Other provisions	26.00	6.12
	<b>188.61</b>	<b>48.79</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 12. Fixed Assets

	Tangible Own Assets											Total			
	Land (free hold)	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Live Stock	Mines development						
<b>Cost</b>															
As at 1st April, 2014	603.94	26.42	381.40	3,948.67	10.96	19.52	38.75	-	65.90	-	-	-	-	5,095.56	
Additions on acquisition	7.32	37.19	184.17	2,689.44	11.74	54.30	27.14	0.10	-	-	-	-	-	3,011.40	
Addition during the year	17.47	0.02	21.10	101.62	0.26	1.42	5.72	-	-	-	-	-	-	147.61	
Less: Disposals during the year	0.11	-	0.55	6.86	0.40	2.02	3.24	-	-	-	-	-	-	13.18	
Reclassification Adjustments	0.37	-	5.48	116.31	0.05	-	-	-	-	-	-	-	-	122.21	
Other adjustments - Exch diff	-	-	-	4.96	-	0.12	-	-	-	-	-	-	-	5.08	
<b>As at 31st March, 2015</b>	<b>628.99</b>	<b>63.63</b>	<b>591.60</b>	<b>6,854.14</b>	<b>22.61</b>	<b>73.34</b>	<b>68.37</b>	<b>0.10</b>	<b>65.90</b>	<b>0.10</b>	<b>0.10</b>	<b>65.90</b>	<b>0.10</b>	<b>8,368.68</b>	
Additions during the year	18.69	-	304.30	1,899.30	7.06	7.91	10.71	0.02	-	0.02	0.02	-	-	2,247.99	
Less: Disposals during the year	0.04	1.74	0.78	12.50	0.31	5.56	3.30	0.02	-	0.02	0.02	-	-	24.25	
Reclassification Adjustments	-	-	7.18	(7.18)	-	-	-	-	-	-	-	-	-	-	
Other adjustments - Exch diff	-	-	-	2.18	-	-	-	-	-	-	-	-	-	2.18	
<b>As at 31st March, 2016</b>	<b>647.64</b>	<b>61.89</b>	<b>902.30</b>	<b>8,735.94</b>	<b>29.36</b>	<b>75.69</b>	<b>75.78</b>	<b>0.10</b>	<b>65.90</b>	<b>0.10</b>	<b>0.10</b>	<b>65.90</b>	<b>0.10</b>	<b>10,594.60</b>	
<b>Depreciation/ Amortization</b>															
As at 1st April, 2014	-	7.24	46.22	833.97	4.19	7.69	19.52	-	13.37	-	-	-	-	932.20	
Additions on acquisition	-	2.79	67.00	1,175.41	5.29	41.97	19.49	-	-	-	-	-	-	1,311.95	
Reclassification Adjustments	-	-	0.73	29.16	0.02	-	-	-	-	-	-	-	-	29.91	
Charge for the year	3.23	1.27	22.53	234.37	1.21	3.48	12.40	-	6.43	-	-	-	-	284.92	
Less: on disposals	-	-	0.31	1.35	0.11	1.44	2.56	-	-	-	-	-	-	5.77	
<b>As at 31st March, 2015</b>	<b>3.23</b>	<b>11.30</b>	<b>136.17</b>	<b>2,271.56</b>	<b>10.60</b>	<b>51.70</b>	<b>48.85</b>	<b>-</b>	<b>19.80</b>	<b>-</b>	<b>-</b>	<b>19.80</b>	<b>-</b>	<b>2,553.21</b>	
Reclassification Adjustments	-	-	2.28	(2.28)	-	-	-	-	-	-	-	-	-	-	
Charge for the year	2.43	1.80	36.28	387.06	3.10	6.66	9.66	-	6.92	-	-	-	-	453.91	
Less: on disposals	-	1.41	0.76	6.93	0.11	4.37	2.94	-	-	-	-	-	-	16.52	
<b>As at 31st March, 2016</b>	<b>5.66</b>	<b>11.69</b>	<b>173.97</b>	<b>2,649.41</b>	<b>13.59</b>	<b>53.99</b>	<b>55.57</b>	<b>-</b>	<b>26.72</b>	<b>-</b>	<b>-</b>	<b>26.72</b>	<b>-</b>	<b>2,990.60</b>	
<b>Net Block</b>															
As at 31st March, 2015	625.76	52.33	455.43	4,582.58	12.01	21.64	19.52	0.10	46.10	0.10	0.10	46.10	0.10	5,815.47	
As at 31st March, 2016	641.98	50.20	728.33	6,086.53	15.77	21.70	20.21	0.10	39.18	0.10	0.10	39.18	0.10	7,604.00	

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 12. Fixed Assets (contd.)

	Owned Assets Leased out					Intangible			Grand Total
	Land	Buildings	Plant and equipment	Furniture and fixtures	Other assets	Computer software	Branding	Total	
<b>Cost</b>									
As at 1st April, 2014	0.37	5.48	115.97	0.05	-	5,217.43	14.66	27.20	5,244.63
Additions on acquisition	-	-	5.74	-	-	3,017.14	-	9.60	3,026.74
Additions during the year	-	-	0.34	-	-	147.95	-	1.92	149.87
Less: Disposals during the year	-	-	-	-	-	13.18	-	0.72	13.90
Reclassification adjustments	(0.37)	(5.48)	(116.31)	(0.05)	-	-	-	-	-
Other adjustments - Exch diff	-	-	-	-	-	5.08	-	-	5.08
<b>As at 31st March, 2015</b>	-	-	<b>5.74</b>	-	-	<b>8,374.42</b>	<b>14.66</b>	<b>38.00</b>	<b>8,412.42</b>
Additions during the year	-	-	0.15	-	-	2,248.14	-	3.51	2,251.65
Less: Disposals during the year	-	-	0.02	-	-	24.27	-	-	24.27
Reclassification adjustments	-	-	-	-	-	-	-	-	-
Other adjustments - Exch diff	-	-	-	-	-	2.18	-	-	2.18
<b>As at 31st March, 2016</b>	-	-	<b>5.87</b>	-	-	<b>10,600.47</b>	<b>14.66</b>	<b>41.51</b>	<b>10,641.98</b>
<b>Depreciation/ Amortization</b>									
as at 1st April, 2014	-	0.73	29.16	0.02	-	962.11	14.66	23.11	985.22
Additions on acquisitions	-	-	5.45	-	-	1,317.40	-	5.70	1,323.10
Reclassification adjustments	-	(0.73)	(29.16)	(0.02)	-	-	-	-	-
Charge for the year	-	-	-	-	-	284.92	-	2.34	287.26
Less: on disposals	-	-	-	-	-	5.77	-	0.72	6.49
<b>As at 31st March, 2015</b>	-	-	<b>5.45</b>	-	-	<b>2,558.66</b>	<b>14.66</b>	<b>30.43</b>	<b>2,589.09</b>
Charge for the year	-	-	-	-	-	453.91	-	3.85	457.76
Less: on disposals	-	-	0.01	-	-	16.53	-	-	16.53
<b>As at 31st March, 2016</b>	-	-	<b>5.44</b>	-	-	<b>2,996.04</b>	<b>14.66</b>	<b>34.28</b>	<b>3,030.32</b>
<b>Net Block</b>									
<b>As at 31st March, 2015</b>	-	-	<b>0.29</b>	-	-	<b>5,815.76</b>	-	<b>7.57</b>	<b>5,823.33</b>
<b>As at 31st March, 2016</b>	-	-	<b>0.43</b>	-	-	<b>7,604.43</b>	-	<b>7.23</b>	<b>7,611.66</b>

Notes:

@ Includes depreciation charged to other heads ₹5.00 Cr (₹12.49 Cr) and ₹0.73 Cr (₹3.19 Cr) adjusted against Deferred Capital Investment Subsidy. Registration of leasehold land amounting to ₹3.79 Cr (₹3.79 Cr) and freehold land of ₹31.08 Cr (₹39.18 Cr) in the Group's name is pending.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 13. Non-current Investments (Long term)

(₹ Crore)

	As at March 31, 2016		As at March 31, 2015	
<b>Trade investments</b>				
<b>Equity Shares</b>				
<b>In Joint Venture (Unquoted)</b>				
38,35,000 (38,35,000) Shares of ₹10/- each fully paid up in Radhikapur (West) Coal Mining Pvt Ltd	3.83		3.83	
Less: Provision for diminution in value of investments	3.51	0.32	3.51	0.32
<b>Others</b>				
<b>Equity Shares (Quoted)</b>				
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
36,000 (36,000) Equity Shares of ₹10/- each fully paid up in G.S.Homes & Hotels Private Limited (Unquoted)		0.50		0.50
73,450 (73,450) Equity Shares of ₹10/- each fully paid up in Orissa Industries Limited (Unquoted)		-		0.02
Others (Quoted)		0.02		0.02
Nil (49,290) Equity Shares of ₹10/- each fully paid up in Dalmia Electrodyne Technologies (P) Limited (Unquoted)	-		1.75	
Others (Unquoted)	-		0.01	
	-		1.76	
Less: Provision for diminution in value of investments	-	-	1.76	-
5,900 (5,900) zero coupon optionally redeemable convertible debentures of ₹1,00,000/- each in Saroj Sunrise Pvt. Ltd.		59.00		59.00
<b>Units of Mutual Funds (Quoted)</b>				
Debt based schemes		3.66		4.29
Equity based schemes		0.06		0.06
<b>Tax Free Bonds (Quoted)</b>				
8.30% NHA1 tax free bonds		0.50		0.50
<b>Units of Urban Infrastructure Opportunities Fund (Unquoted)</b>				
1,188 (1,188) Units of ₹79,930/- (₹86,750/-) each fully paid up in Urban Infrastructure Opportunities Fund		9.64		10.39
<b>Total</b>		<b>102.64</b>		<b>104.04</b>
<b>Quoted (including Mutual Funds):</b>				
Book Value		33.18		33.81
Market Value		155.26		33.90
Book Value of Unquoted Investments		69.46		70.23
Aggregate Provision for diminution in value of Investment		3.51		5.27

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 14. Long term loans and advances (Considered good and unsecured unless otherwise stated)

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Capital advances	109.50	116.98
Security deposit made	56.91	45.53
Loans and advances to:		
Employees@	1.97	1.36
Others	27.08	29.14
Advances recoverable in cash or in kind or for value to be received		
Considered good	18.74	19.28
Considered doubtful	64.09	66.02
Less: Provision for doubtful advances	64.09	66.02
Incentives receivable	18.21	18.21
Subsidy receivable	191.64	19.46
Less: Provision for doubtful recovery	0.27	0.27
MAT credit entitlement	172.57	70.74
Advance income tax (net of provision for tax ₹33.87 Cr (₹50.55 Cr))	41.53	90.14
Deposit and balances with Government departments and other authorities	27.18	39.83
	<b>665.06</b>	<b>450.40</b>
@includes Due form officers of the Company	1.97	1.36

### 15. Other Non Current Assets

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Deposits with original maturity of more than 12 months	4.55	14.49
	<b>4.55</b>	<b>14.49</b>

\* includes ₹4.27 Cr (₹4.17 Cr) pledged with various Government authorities/ institutions.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 16. Current Investments

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Non trade</b>		
<b>Equity shares (Quoted)</b>		
5,20,400 (5,20,400) Shares of ₹1/- each fully paid up in The Ramco 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
699,720 (699,720) Shares of ₹5/- each fully paid up in Reliance Communications Limited	6.81	6.81
	18.72	18.72
Less: Provision for diminution in value of investment	3.31	2.66
	15.41	16.06
<b>Equity shares (Unquoted)</b>		
30,32,863 (Nil) shares of ₹10/- each fully paid up in Indian Energy exchange Ltd.	221.20	-
<b>Units of Mutual Funds (Quoted)</b>		
Debt based schemes	1,836.07	1,167.83
Less: Provision for diminution in value of investment	0.08	-
	1,835.99	1,167.83
<b>Commercial Paper (Unquoted)</b>		
Axis Finance Ltd.	400.00	399.05
<b>Total</b>	<b>2,472.60</b>	<b>1,582.94</b>
<b>Quoted</b>		
Book Value	1,851.40	1,183.89
Market Value	1,909.29	1,209.41
Aggregate Provision for diminution in value of Investment	3.39	2.66
Book value of unquoted investments	621.20	399.05

### 17. Inventories

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
<b>Raw Materials</b>		
On hand	132.60	125.63
In transit	5.26	4.57
<b>Work in progress</b>	65.66	80.94
<b>Finished goods</b>		
On hand	174.14	155.06
In transit	24.58	9.53
<b>Stores, spares etc</b>		
On hand	268.22	292.15
In transit	37.83	61.44
	<b>708.29</b>	<b>729.32</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 18. Trade receivables

		(₹ Crore)	
		As at March 31, 2016	As at March 31, 2015
<b>A)</b>	<b>Receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
	Considered good		
	Secured	7.99	8.06
	Unsecured	23.90	18.84
	Considered doubtful	60.15	60.49
	Less: Provision for bad and doubtful receivables	60.15	60.49
	<b>(A)</b>	<b>31.89</b>	<b>26.90</b>
<b>B)</b>	<b>Other receivables</b>		
	Considered good		
	Secured	164.67	183.69
	Unsecured	367.82	374.28
	Considered doubtful	1.93	0.92
	Less: Provision for bad and doubtful receivables	1.93	0.92
	<b>(B)</b>	<b>532.49</b>	<b>557.97</b>
	<b>Trade receivables (A+B)</b>	<b>564.38</b>	<b>584.87</b>
	Less: Provision for rebate / discount	69.74	74.81
		<b>494.64</b>	<b>510.06</b>

### 19. Cash and cash equivalents

		(₹ Crore)	
		As at March 31, 2016	As at March 31, 2015
	Cash on hand	2.36	4.40
	Cheques in hand	13.09	21.58
	Balances with scheduled banks :		
	- On current accounts	143.34	313.89
	- On deposit accounts	35.55	164.86
	- Unpaid dividend accounts	5.77	2.24
	Other bank balances:		
	- Margin money (pledged with bank / Govt. authorities)	48.21	21.11
		<b>248.32</b>	<b>528.08</b>



## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 20. Short term loans and advances

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Secured		
Loan to Employees@	0.03	0.13
Unsecured Considered good		
Loan to		
- Employees@	4.21	4.05
- Related parties (Refer Note 44)	-	50.00
- Others	40.00	63.35
Advances recoverable in cash or in kind or for value to be received		
Related parties	-	0.07
Others	129.28	81.11
Considered doubtful	5.16	4.87
Less: Provision for doubtful advances	5.16	-
Prepaid expenses	9.78	14.70
Subsidy/Incentive receivable	309.87	348.85
Interest receivable	7.02	9.89
Deposit and balances with Government departments and other authorities	155.62	209.44
	<b>655.81</b>	<b>781.59</b>
@includes Due form officers of the Company	4.24	4.18

### 21. Other current assets

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Material held for disposal	5.77	0.21
Unamortised premium on forward contracts	0.05	0.54
	<b>5.82</b>	<b>0.75</b>

### 22. Revenue from operations

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Cement sales	6,576.63	3,658.62
Refractory goods sales	330.48	56.12
Power sales	49.18	77.34
Traded Sales	41.65	22.54
Management services	12.07	33.94
Lease Rent	-	2.11
Subsidy on Value Added Tax / Vat incentive	184.46	49.93
Subsidy on Excise	62.34	44.43
Other operating revenue	70.69	53.59
	<b>7,327.50</b>	<b>3,998.62</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 23. Other income

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Dividend income</b>		
- from non-current investments	0.90	-
- from current investments	6.51	5.63
Interest Income	37.32	21.76
Profit on sale of Non-Current Investments	1.11	0.44
Profit on sale of Current Investments	105.75	63.55
Less: Loss on sale of Current Investments [including provision for diminution in value of investments ₹0.65 Cr. (₹2.66 Cr)]	1.31	2.66
Miscellaneous receipts	13.93	4.62
	<b>164.21</b>	<b>93.34</b>

### 24. Cost of materials consumed

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Class of product</b>		
Limestone	289.06	210.58
Clinker	180.96	117.61
Gypsum	58.16	24.37
Fly ash	90.00	76.96
Slag	229.08	25.49
Raw Materials for Refractory goods	183.76	13.68
Others	36.44	19.85
	<b>1,067.46</b>	<b>488.54</b>

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

	(₹ Crore)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Finished Goods</b>		
- Closing stock	198.72	164.59
- Opening stock	164.59	44.16
Add: Additions on acquisition	-	127.11
Add: Transfer from Trial run	0.51	-
	(33.62)	6.68
<b>Work-in-Process</b>		
- Closing stock	65.66	80.94
- Opening stock	80.94	35.13
Add: Additions on acquisition	-	41.35
Add: Transfer from Trial run	6.56	-
	21.84	(4.46)
<b>(Increase) / Decrease</b>	<b>(11.78)</b>	<b>2.22</b>
Less : Transfer to Capital work-in-progress	1.17	-
<b>Net (Increase) / Decrease</b>	<b>(12.95)</b>	<b>2.22</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 26. Employee benefits expense

(₹ Crore)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	438.46	243.93
Expenses on Employees Stock Options Scheme	2.33	1.26
Contribution to provident fund and other funds	37.75	14.15
Workmen and staff welfare expenses	27.91	18.07
	<b>506.45</b>	<b>277.41</b>

### 27. Other expenses

(₹ Crore)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel (net of subsidy /incentives of ₹0.02 Cr (₹0.32 Cr))	882.87	708.72
Packing materials	218.65	125.67
Consumption of stores and spare parts	64.32	38.93
Freight charges (net of subsidy of ₹25.89 Cr (₹47.67 Cr))	1,043.31	624.90
Repairs and maintenance :		
- Plant & machinery	152.99	115.98
- Buildings	13.30	6.87
Rent	25.72	11.43
Rates and taxes	27.02	10.02
Insurance (net of subsidy of ₹0.65 Cr (₹0.82 Cr))	8.54	4.36
Depot expenses	118.90	72.00
Professional charges	80.02	42.51
Advertisement and Sales Promotion	117.86	77.41
Rebate and discounts	29.89	35.74
Excise duty variation on opening/closing inventories	10.87	(0.93)
Foreign exchange fluctuation	-	1.15
Corporate Social responsibility expenses	8.86	2.81
Cost for obligations	3.78	37.64
Miscellaneous expenses	338.31	172.21
	<b>3,145.21</b>	<b>2,087.42</b>

### 28. Finance Costs

(₹ Crore)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
- On term loans and debentures	623.30	344.16
- On short term borrowings (net of subsidy of ₹3.39 Cr (₹2.88 Cr))	38.39	25.09
- Others	15.47	26.45
Other borrowing cost	42.13	32.28
Exchange differences to the extent considered as an adjustment to borrowing cost	6.35	6.40
	<b>725.64</b>	<b>434.38</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 29. Earning per share

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Basic EPS</b>		
Net profit for calculation of basic EPS (₹ in Cr)	190.81	3.05
Total number of equity shares outstanding at the end of the year	8,87,93,303	8,11,89,303
Weighted average number of equity shares in calculating Basic EPS	8,16,93,079	8,11,89,303
Basic EPS (₹)	23.36	0.38
<b>Diluted EPS</b>		
Net profit for calculation of diluted EPS (₹ in Cr)	190.81	3.05
Weighted average number of equity shares for calculation of Basic EPS	8,16,93,079	8,11,89,303
Add : Weighted average number of potential equity shares	4,93,660	5,46,534
Weighted average number of equity shares for calculation of diluted EPS	8,21,86,739	8,17,35,837
Diluted EPS (₹)	23.22	0.37

### 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, 2016	Percentage of Ownership held as at March 31, 2015
<b>Subsidiaries</b>			
Adwetha Cement Holdings Limited (w.e.f. 05-01-2016)	India	100%	-
Dalmia Cement (Bharat) Limited #	India	100%	85.01%
Dalmia Power Limited	India	100%	100%
Kanika Investments Limited	India	100%	100%
<b>Subsidiaries of Dalmia Cement (Bharat) Limited</b>			
Adhunik Cement Limited	India	100%	100%
Arjuna Brokers & Minerals Limited	India	100%	100%
Bangaru Kamakshi Amman Agro Farms Private Limited (w.e.f. 29-04-2015)	India	100%	-
Calcom Cement India Limited	India	76.00%	76.00%
D.I. Properties Limited	India	100%	100%
Dalmia Bharat Cement Holding Limited	India	100%	100%
Dalmia Minerals & Properties Limited	India	100%	100%
Geetee Estates Limited	India	100%	100%
Golden Hills Resorts Private Limited	India	100%	100%
Hemshila Properties Limited	India	100%	100%
Ishita Properties Limited	India	100%	100%
Rajputana Properties Private Limited	India	100%	100%
Jayevijay Agro Farms Private Limited	India	100%	100%
OCL India Limited	India	74.66%	74.66%
Shri Rangam Properties Limited	India	100%	100%
Shri Radha Krishna Brokers & Holdings Limited	India	100%	100%
Sri Dhandauthapani Mines & Minerals Limited	India	100%	100%
Sri Madhusudana Mines & Properties Limited	India	100%	100%
Sri Shanmugha Mines & Minerals Limited	India	100%	100%
Sri Swaminatha Mines & Minerals Limited	India	100%	100%
Sri Subramanya Mines & Minerals Limited	India	100%	100%
Sri Trivikrama Mines & Properties Limited	India	100%	100%

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 30. The Group comprises of the following entities: (contd.)

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, 2016	Percentage of Ownership held as at March 31, 2015
<b>Step Down subsidiaries of Dalmia Cement (Bharat ) Limited</b>			
Adhunik MSP Cement (Assam) Limited (subsidiary of Adhunik Cement Limited)	India	100%	100%
Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Odisha Cement Limited [(subsidiary of OCL India Limited)]	India	100%	100%
OCL China Limited [(subsidiary of OCL Global Limited)]	China	90%	90%
OCL Global Limited [(subsidiary of OCL India Limited)]	Mauritius	100%	100%
RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
Shri Rangam Securities & Holdings Limited (subsidiary of Dalmia Bharat Cement Holdings Limited)	India	100%	100%
Dalmia Cement East Limited (Formerly known as Bokaro Jaypee Cement Limited) (Subsidiary of Shri Rangam Securities & Holdings Limited)	India	100%	100%
Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
<b>Step down subsidiaries of Dalmia Bharat Limited</b>			
DCB Power Venture Limited ## (subsidiary of Dalmia Power Limited)	India	100%	100%
<b>Joint Venture</b>			
Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited (JV of OCL India Limited))	India	7.029%	7.029%

# The share capital in Dalmia Cement (Bharat) Limited is held 92.62% by Dalmia Bharat Limited and 7.38% by Adwetha Cement Holdings Limited.

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

### 31. Details relating to Net Assets and Profit or Loss in respect of Subsidiaries, Associates and Joint Ventures:

Name of the entity	Net Assets		Share in profit / loss	
	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss
<b>Subsidiaries</b>				
<b>A. Parent</b>				
Dalmia Bharat Limited	1253.52	32.50%	65.55	34.35%
<b>B. Subsidiaries</b>				
<b>Indian Subsidiaries</b>				
Adwetha Cement Holdings Limited (w.e.f. 05-01-2016)	(2.87)	-0.07%	(2.92)	-1.53%
Adhunik Cement Limited	(52.20)	-1.35%	(111.50)	-58.44%
Adhunik MSP Cement (Assam) Limited	1.85	0.05%	(0.15)	-0.08%
Arjuna Brokers & Minerals Limited	0.06	0.00%	0.00	0.00%
Bangaru Kamakshi Amman Agro Farms Private Limited (w.e.f. 29-04-15)	(0.30)	-0.01%	(0.31)	-0.16%

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 31. Details relating to Net Assets and Profit or Loss in respect of Subsidiaries, Associates and Joint Ventures: (contd.)

Name of the entity Subsidiaries	Net Assets		Share in profit / loss	
	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss
Calcom Cement India Limited	142.83	3.70%	5.16	2.70%
Cosmos Cements Limited	13.67	0.35%	(0.05)	-0.03%
D.I. Properties Limited	0.41	0.01%	(0.16)	-0.08%
Dalmia Bharat Cement Holding Limited	215.18	5.58%	(82.97)	-43.48%
Dalmia Cement Bharat Limited	3,124.83	81.02%	183.27	96.05%
Dalmia Cement East Limited (formerly known as Bokaro Jaypee Cement Limited)	259.80	6.74%	49.32	25.85%
Dalmia Minerals & Properties Limited	(0.05)	-0.00%	(0.05)	-0.03%
Dalmia Power Limited	(6.06)	-0.16%	(6.34)	-3.32%
DCB Power Ventures Limited	411.09	10.66%	19.97	10.47%
Geetee Estates Limited	0.43	0.01%	(0.01)	-0.01%
Golden Hills Resorts Private Limited	1.00	0.03%	0.00	0.00%
Hemshila Properties Limited	0.68	0.02%	(0.01)	-0.01%
Ishita Properties Limited	(2.78)	-0.07%	0.31	0.16%
Jayevijay Agro Farms Private Limited	(0.53)	-0.01%	(0.31)	-0.16%
Kanika Investments Limited	5.08	0.13%	0.70	0.37%
OCL India Limited	1,405.10	36.43%	236.29	123.84%
Odhisa Cement Limited	0.04	0.00%	0.00	0.00%
Rajputana Properties Private Limited	0.01	0.00%	0.00	0.00%
RCL Cements Limited	19.30	0.50%	(0.81)	-0.43%
SCL Cements Limited	(21.30)	-0.55%	(5.03)	-2.63%
Shri Radha Krishna Brokers & Holdings Limited	0.07	0.00%	0.00	0.00%
Shri Rangam Properties Limited	0.92	0.02%	(0.01)	-0.01%
Shri Rangam Securities & Holdings Limited	907.08	23.52%	(0.14)	-0.07%
Sri Dhandauthapani Mines & Minerals Limited	0.13	0.00%	0.00	0.00%
Sri Madhusudana Mines & Properties Limited	0.28	0.01%	(0.01)	-0.01%
Sri Shanmugha Mines & Minerals Limited	0.05	0.00%	0.00	0.00%
Sri Subramanya Mines & Minerals Limited	0.07	0.00%	0.00	0.00%
Sri Swaminatha Mines & Minerals Limited	0.20	0.01%	(0.01)	-0.01%
Sri Trivikrama Mines & Properties Limited	(0.05)	0.00%	(0.04)	-0.02%
Sutnga Mines Private Limited	1.97	0.05%	0.00	0.00%
Vinay Cements Limited	(87.59)	-2.27%	(19.58)	-10.26%
<b>Foreign Subsidiaries</b>				
OCL Global Limited	61.52	1.60%	(0.16)	-0.08%
OCL China Limited	41.98	1.09%	(2.63)	-1.38%
<b>Less: Minority Interest in all subsidiaries</b>	<b>(356.86)</b>	<b>-9.25%</b>	<b>(74.53)</b>	<b>-39.06%</b>
<b>C. Joint Ventures</b>				
(As per proportionate consolidation / investment as per equity method)				
<b>Indian Joint Ventures</b>				
Khappa Coal Company Private Limited	1.45	0.04%	(0.38)	-0.20%
Radhikapur (West) Coal Mining Private Limited	3.58	0.09%	0.07	0.04%
<b>Less: Elimination / Adjustments</b>	<b>(3,486.72)</b>	<b>-90.42%</b>	<b>(61.72)</b>	<b>-32.34%</b>
<b>Total</b>	<b>3,856.88</b>	<b>100%</b>	<b>190.81</b>	<b>100%</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

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

A. Not provided for		(₹ Crore)	
S. No.	Particulars	2015-16	2014-15
	<b>Parent Company</b>		
a)	Contingent liabilities / Litigations	Nil	Nil
	<b>Subsidiaries</b>		
a)	Claims against the Company not acknowledged as debts	191.97	170.94
b)	Demand raised by following authorities in dispute:		
	Excise, Customs, Service tax, VAT and Sales tax	181.19	223.14
	Income tax matters	11.24	13.06
c)	Other monies for which Company is contingently liable	2.17	1.19
	<b>Total</b>	<b>386.57</b>	<b>408.33</b>

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.

B. The Group's subsidiary Dalmia Cement (Bharat) Limited (DCBL) holds 76% shares in one of its subsidiary company Calcom Cement India Ltd (CCIL) where Bawri group (BG) holds 21% (approx.) voting rights. The DCBL is in the management of CCIL. During the previous year the DCBL alleged that BG has defaulted in completion of certain obligations under the shareholder agreement/ articles of association (referred as inter se arrangement or ISA) and sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) under sections 397 and 398 of the Companies Act 1956 alleging oppression and mismanagement by the DCBL. BG prayed CLB, along with other non-financial matters, to get the subsidiary suitably compensated for such sums as may be found due. The management denied the allegations. Pending the examination of detailed merits of the case, the CLB has issued an interim order dated July 28, 2015 directing the parties to maintain the status quo as regards the shareholding and composition of the board of directors. Pending final disposal of the case by the CLB, no adjustments are considered necessary in the financial statements.

33. 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 Company, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

### 34. Capital and other commitment

		(₹ Crore)	
Particulars	2015-16	2014-15	
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
In respect of Parent	0.38	-	
In respect of Subsidiaries	156.40	143.64	
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	1.22	3.67	
c) Export obligation on import of equipment's and spare parts under EPCG Scheme			
In respect of Parent	-	-	
In respect of Subsidiaries	280.09	282.74	
d) Commitment towards forestry department as per the Forest (Conservation) Act , 1980			
In respect of Parent	-	-	
In respect of Subsidiaries	31.60	31.60	

## Notes to Consolidated Financial Statements *(contd.)* for the year ended March 31, 2016 (Revised)

### 35. Remuneration paid to auditors (included in miscellaneous expenses):

Parent Company		(₹ Crore)	
Particulars	2015-16	2014-15	
<b>Statutory auditors</b>			
<b>a) As an auditor</b>			
i) Statutory audit fee	0.06	0.04	
ii) Tax Audit fee	0.01	0.01	
iii) For Limited review	0.02	0.01	
<b>b) In other capacity</b>			
i) Certification fee	0.01	-	

Subsidiaries		(₹ Crore)	
Particulars	2015-16	2014-15	
<b>Statutory auditors</b>			
<b>a) as an auditor</b>			
i) Statutory audit fee	1.03	0.47	
ii) Tax audit fee	0.09	0.03	
iii) Limited reviews	0.57	0.44	
<b>b) In other capacity</b>			
i) Company law matters/ Other matters	0.02	-	
ii) Certification fee	0.08	0.02	
<b>c) Reimbursement of expenses</b>	0.27	0.09	
<b>Cost Auditor</b>			
a) Audit Fee	0.05	0.03	
b) For Expenses	-	-	

36. 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.

37. Goodwill in the balance sheet as per the details given below represents goodwill arising on consolidation of subsidiaries. Such Goodwill had been tested for impairment by the management and no amortisation is required for the same.

		(₹ Crore)	
Particulars	2015-16	2014-15	
<b>Subsidiaries</b>			
Dalmia Cement East Limited	759.75	759.75	
Dalmia Cement (Bharat) Limited	753.90	-	
OCL India Limited	732.19	732.19	
Adhunik Cement Limited	253.42	253.42	
Calcom Cement India Limited	214.03	214.03	
Golden Hills Resorts Private Limited	4.00	4.00	
Ishita Properties Limited	0.47	0.47	
Rajputana Properties Private Limited	0.24	0.24	
Dalmia Minerals & Properties Limited	0.10	0.10	
Dalmia Power Limited	0.06	0.06	
Arjuna Brokers & Minerals Limited	0.01	0.01	
Sri Shanamugha Mines & Minerals Limited	0.01	0.01	
<b>Total</b>	<b>2,718.18</b>	<b>1,964.28</b>	



## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 38. 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.

Particulars	(₹ Crore)	
	2015-16	2014-15
Lease payments for the year	26.18	12.88
<b>Total</b>	<b>26.18</b>	<b>12.88</b>

#### Assets given under finance lease

The group has given certain vehicles on finance leases.

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

	(₹ Crore)			
	As at March 31, 2016 -MLP	As at March 31, 2016 Present Value of MLP	As at March 31, 2015 -MLP	As at March 31, 2015 Present Value of MLP
Within one year	0.80	0.77	0.80	0.77
After one year but not more than three years	-	-	-	-
More than three years	-	-	-	-
Total minimum lease payments receivable	0.80	0.77	0.80	0.77
Less : Amounts representing finance charges	(0.03)		(0.03)	
Less : Provisions for doubtful advances	(0.77)	(0.77)	(0.77)	(0.77)
Present Value of Minimum Lease Payments receivable	-	-	-	-

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 39. 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:

(₹ Crore)

Particulars	Currency	Amount in Foreign Currency	Amount (₹ in Cr.)	Purpose
Buy	Euro	95,500 (50,000)	0.72 (0.34)	To hedge the import creditors
<b>Total</b>	<b>Euro</b>	<b>95,500 (50,000)</b>	<b>0.72 (0.34)</b>	
Buy	USD	26,230,763 (25,420,083)	174.40 (159.28)	To hedge the repayment of principal and interest on foreign currency loans.
Buy	USD	333,900 (100,000)	2.21 (0.63)	To hedge the import creditors
<b>Total</b>	<b>USD</b>	<b>26,564,663 (25,520,083)</b>	<b>176.61 (159.91)</b>	

Particulars of unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (₹ in Cr.)
Foreign currency loans and interest thereon	USD 75,356,851 (USD 81,030,235) (Closing rate 1 USD = ₹66.285 (₹62.66))	499.50 (507.74)
Foreign currency loans and interest thereon	EUR 718,539 (EUR 563,000) (Closing rate 1 EUR = ₹75 (₹67.6307))	5.39 (3.81)
Foreign currency loans and interest thereon	GBP 8,191 (GBP 433,000) (Closing rate 1 GBP = ₹97.44 (₹92.5904))	0.08 (4.01)
Trade Payables	USD 4,025,872 (USD 10,297,000) (Closing rate 1 USD = ₹66.285 (₹62.66))	26.69 (64.52)
Trade Payables	EUR 652,420 (EUR 939,698) (Closing rate 1 EUR = ₹75 (₹67.6307))	4.89 (6.36)
Trade Payables	JPY 1,116,667 (JPY 667,000) (Closing rate 1 JPY = ₹0.5975 (₹0.53))	0.07 (0.04)
Trade Payables	GBP 19,482 (GBP 28,500) (Closing rate 1 GBP = ₹97.44 (₹92.5904))	0.19 (0.26)
Trade Receivables for Export Sales	USD 806,808 (USD 1,267,757) (Closing rate 1 USD = ₹66.285 (₹62.66))	5.35 (7.94)
Trade Receivables for Export Sales	EUR 658,202 (EUR 411,000) (Closing rate 1 EUR = ₹75 (₹67.6307))	4.94 (2.78)
Trade Receivables for Export Sales	GBP 9,102 (GBP 767,000) (Closing rate 1 GBP = ₹97.44 (₹92.5904))	0.09 (7.10)
Advance to Supplier	EUR 26,430 (EUR Nil) (Closing rate 1 EUR = ₹75 (₹67.6307))	0.20 -

### 40. 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 notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, 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.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 40. Gratuity and Other Post Employment Benefit Plans (contd.)

#### Statement of Profit and Loss

Net employee benefit expense (recognised in employee benefit expenses)

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Current service cost	8.24	3.05	4.71	4.53
Interest cost on benefit obligation	3.58	1.75	1.50	0.85
Expected return on plan assets	(3.74)	(1.93)	(1.20)	(0.77)
Net actuarial (gain)/ loss recognized in the year	3.16	2.59	(0.16)	0.04
<b>Net benefit expenses</b>	<b>11.24</b>	<b>5.46</b>	<b>4.85</b>	<b>4.65</b>
Actual return on plan assets	3.44	1.75	1.50	-

#### Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Present value of defined benefit obligation as at year-end	56.72	48.83	46.94	30.90
Fair value of plan assets as at year-end	40.85	42.38	46.14	30.38
Funded status {( Surplus/(Deficit)}	(15.87)	(6.45)	(0.80)	(0.52)
<b>Net asset/(liability) as at year end</b>	<b>(15.87)</b>	<b>(6.45)</b>	<b>(0.80)</b>	<b>(0.52)</b>

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	48.83	21.69	30.90	17.59
Contribution by plan participation / employees	-	-	7.72	7.09
Acquisition adjustments	-	21.07	-	-
Current service cost	8.24	3.05	4.70	4.53
Interest Cost	3.58	1.75	3.25	1.87
Benefits paid	(6.80)	(1.19)	(1.00)	(1.53)
Actuarial (gains)/ losses on obligation	2.87	2.46	0.28	0.35
Settlements / Transfer in	-	-	1.09	1.00
<b>Closing defined benefit obligation</b>	<b>56.72</b>	<b>48.83</b>	<b>46.94</b>	<b>30.90</b>

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

(₹ Crore)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Opening fair value of plan assets	42.38	20.99	30.38	17.41
Acquisition Adjustments	-	20.57	-	-
Contribution by plan participation / employees	-	-	7.72	7.07
Expected return on plan assets	3.74	1.93	3.20	1.58
Contribution by employer	1.77	0.26	4.70	4.52
Benefits paid	(6.63)	(1.09)	(1.00)	(1.53)
Actuarial gains/ (losses) on obligation	(0.36)	(0.28)	0.05	0.28
Settlements / Transfer in	-	-	1.09	1.05
Adjustment to opening balance	(0.05)	-	-	-
<b>Closing fair value of plan assets</b>	<b>40.85</b>	<b>42.38</b>	<b>46.14</b>	<b>30.38</b>

The Group expects to contribute ₹21.04 Cr (7.07 Cr) to gratuity fund in 2016-17.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 40. Gratuity and Other Post Employment Benefit Plans (contd.)

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

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2015-16	2014-15	2015-16	2014-15
Qualifying Insurance Policy	100%	99.50%	-	-
Bank Balance	-	0.50%	-	-
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)	
	2015-16	2014-15	2015-16	2014-15
Discount Rate	7.50% to 8.00%	7.75%	7.89% to 7.95%	7.90%
Expected rate of return on assets	8.50% to 9.60%	8.5% to 9.00%	8.80% to 8.93%	-
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified
Salary Escalation	6.00% to 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:

Particulars	Gratuity (Funded)					PF Trust (Funded)				
	2015-16	2014-15	2013-14	2012-13	2011-12	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	56.72	48.83	21.69	19.86	13.65	46.94	30.90	17.59	16.00	15.09
Plan assets	40.85	42.38	20.99	18.29	14.72	46.14	30.38	17.41	15.95	15.01
Surplus/ (deficit)	(15.87)	(6.45)	(0.70)	(1.57)	1.07	(0.80)	(0.52)	(0.18)	(0.05)	0.08
Experience adjustment on plan assets	0.07	(0.61)	(0.16)	(0.03)	0.02	0.36	0.29	-	-	-
Experience adjustment on plan liabilities	(3.19)	(1.97)	0.96	(1.67)	0.01	(0.28)	(0.37)	-	-	-

#### Provident and other funds

##### Contribution to Defined Contribution Plans:

Particulars	(₹ Crore)	
	2015-16	2014-15
Provident Fund/Superannuation fund/ ESI/ Pension Scheme	24.63	11.63

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 41. Employee share based payments

- a) Employee stock option scheme 2011- "ESOP 2011" was approved by the shareholders of the company in their meeting held on 26th May, 2011. The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiary company. Details of options granted under "ESOP 2011" are as under:

Particulars	Tranche I	Tranche II	Tranche III
Nos. of Options	10,75,000	2,40,000	4,50,000
Method of Accounting	Intrinsic value	Intrinsic value	Intrinsic value
Method of Settlement	Equity settlement	Equity settlement	Equity settlement
Vesting Plan	Graded vesting over a period of 5 years (10% after one year, 10% after 2 years, 20% after 3 years, 30% after 4 years and 30% after 5 years) linked with individual performance and achievement of targeted share price.	Graded vesting over a period of 5 years (10% after two years, 15% after 3 years, 20% after 4 years, 25% after 5 years and 30% after 6 years) linked with individual performance and achievement of targeted share price.	Graded vesting over a period of 5 years (10% after two years, 15% after 3 years, 20% after 4 years, 25% after 5 years and 30% after 6 years) linked with individual performance and achievement of targeted share price.
Exercise Period	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	18-5-2012	29-1-2015	3-2-2016
Grant Price (₹ Per share)	105.50	217.23	383.53
30 days weighted average market Price on the date of Grant of Option (₹ Per share)	131.87	434.46	767.06
Discount on 30 days weighted average Price	20%	50%	50%
Contractual life	8 years	9 years	9 years

- b) Movement of Options Granted:

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Outstanding at the beginning of the year	7,88,000	6,70,500
Granted/Revived during the year	4,86,000	2,40,000
Exercised during the year	1,04,000	-
Forfeited during the year	1,11,000	48,000
Expired during the year	-	74,500
Outstanding at the end of the year	10,59,000	7,88,000

- c) Movement of Exercisable Options:

	(₹ Crore)	
	As at March 31, 2016	As at March 31, 2015
Exercisable at the beginning of the year	-	-
Vested during the year	1,04,000	-
Exercised during the year	1,04,000	-
Vested Options forfeited	-	-
Options exercisable at the end of the year	-	-

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 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 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.

#### Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2016.

	(₹ Crore)				
Segment Particulars	Cement	Refractory	Management Services	Others	Total
<b>Revenue</b>					
Revenue (Net of Excise)	6258.49	306.10	249.69	64.86	6879.14
	(3426.31)	(45.98)	(168.60)	(45.08)	(3685.97)
Less: Inter/ Intra Segment Revenue	138.91	-	237.42	64.86	441.19
	(0.92)	(-)	(134.66)	(36.27)	(171.85)
Net Revenue	6119.58	306.10	12.27	-	6437.95
	(3425.39)	(45.98)	(33.94)	(8.81)	(3514.12)
<b>Results</b>					
<b>Segment result</b>	1095.14	(38.56)	36.04	47.16	1139.78
	(287.22)	(1.05)	(19.24)	(21.92)	(329.43)
Less: Finance Cost					725.64
					(434.38)
Add: Other unallocable income net of unallocable expenditure					150.28
					(88.72)
Profit/(loss) before tax					564.42
					(-16.23)
Tax expense					299.08
					(46.86)
Share of profit in Associates					-
					(48.53)
Less: Minority interest					74.53
					(-17.61)
Profit after tax					190.81
					(3.05)
<b>Assets</b>	11802.91	430.16	100.52	449.37	12782.96
	(9664.51)	(433.23)	(124.72)	(299.74)	(10522.20)
Non Segments Assets					3174.79
					(3881.31)
<b>Total Assets</b>					15957.75
					(14403.51)
<b>Liabilities</b>	2265.45	91.73	58.40	(0.99)	2414.59
	(1951.18)	(90.94)	(31.54)	(10.54)	(2084.20)
Non Segments liabilities					9686.28
					(9249.15)
<b>Total Liabilities</b>					12100.87
					(11333.35)
<b>Depreciation</b>	428.25	10.81	2.94	15.76	457.76
	(270.79)	(-)	(3.98)	(12.49)	(287.26)
<b>Capital Expenditure</b>	2082.57	4.47	7.76	159.03	2253.83
	(148.79)	(-)	(2.33)	(3.83)	(154.95)

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

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

### Subsidiaries

	(₹ Crore)	
	2015-16	2014-15
<b>Brought forward from last year</b>	451.43	238.14
<b>Taken over on acquisition</b>	-	0.11
<b>Expenditure incurred during the year</b>		
<b>Employee benefit expenses</b>	22.60	40.13
<b>Other Expenses</b>		
Power and fuel	0.55	3.36
Repairs and maintenance	5.26	2.34
Rent	2.08	1.46
Rates and taxes	0.08	0.16
Insurance	0.27	0.98
Professional expenses	3.72	8.11
Miscellaneous expenses	6.44	10.94
Interest and finance expense	63.37	148.69
<b>Trial Run Expenditure</b>		
Raw Material Consumed	80.85	1.86
Consumption of Stores & Spare Parts	6.30	0.46
Power and Fuel	174.21	-
Packing material	6.37	-
Freight and forwarding Charges (Net of subsidy ₹12.17 Cr.)	45.92	-
Employee cost	23.71	-
Insurance	0.17	-
Professional expenses	0.89	-
Rates and taxes	0.26	-
Rent	0.18	-
Repairs and maintenance	6.93	-
Miscellaneous expenses	62.49	-
Depreciation	3.97	3.72
Interest and financial charges	112.84	-
<b>Total expenses for the year</b>	<b>629.46</b>	<b>222.21</b>
<b>Less: Income</b>		
Sales from trial production	312.02	1.76
Interest/ Dividend income	2.64	5.14
Income on sale of investments	-	0.10
Miscellaneous Income	0.30	-
Less: Change in inventories	5.71	1.36
Less: Transfer for captive consumption	64.65	-
<b>Net expense for the year</b>	<b>244.14</b>	<b>213.85</b>
<b>Grand Total</b>	<b>695.57</b>	<b>452.10</b>
Less: Capitalised during the year	677.53	0.67
<b>Carried forward as part of Capital Work in Progress</b>	<b>18.04</b>	<b>451.43</b>

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 43. (contd.)

#### Joint Venture

	(₹ Crore)	
	2015-16	2014-15
Brought forward to current year as part of Capital Work in Progress	5.63	5.08
Add: Additions on acquisition	-	0.54
Expenditure incurred during the year		
Employee benefit expenses		
Salaries and Wages	-	0.01
Other Expenses		
Rates & Taxes	0.01	-
Miscellaneous Expenses	-	0.01
<b>Total Expenditure during the year</b>	<b>0.01</b>	<b>0.02</b>
Less: Interest income	0.03	0.01
Add: Income transferred from statement of Profit & Loss	0.20	-
Less: Expense written off to statement of Profit & Loss	0.59	-
<b>Carried forward as part of Capital Work in Progress</b>	<b>5.22</b>	<b>5.63</b>

### 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:

Related parties with whom transactions have taken place during the year

#### Key Management Personnel of the Group

Shri Jai Hari Dalmia, Shri Yadu Hari Dalmia, Shri Gautam Dalmia, Shri Puneet Yadu Dalmia, Shri Mahendra Singhi and Shri Jayesh Doshi

#### Enterprises controlled by the Key Management Personnel of the Group

Dalmia Refractories Limited, Himshikhar Investment Limited, Dalmia Bharat Sugar and Industries Limited, Keshav Power Limited

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

Nature of Transaction				(₹ Crore)
	Associate	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	-	13.77	13.77
	(21.92)	(-)	(28.64)	(50.56)
Purchase of goods and services	-	-	27.49	27.49
	(30.75)	(-)	(46.16)	(76.91)
Reimbursement of expenses – Receivable	-	(-)	0.25	0.25
	(0.01)	(-)	(0.34)	(0.35)
Reimbursement of expenses – Payable	-	-	0.15	0.15
	(-)	(-)	(0.23)	(0.23)
Rent / Lease Rent Payment	-	-	-	-
	(-)	(-)	(2.10)	(2.10)
Interest Received	-	-	4.61	4.61
	(-)	(-)	(4.05)	(4.05)
Refund of Security deposit	-	-	-	-
	(-)	(-)	(6.72)	(6.72)
Purchase of Fixed Assets	-	-	-	-
	(-)	(-)	(6.89)	(6.89)
Dividend Paid	-	-	0.33	0.33
	(-)	(-)	(0.19)	(0.19)
Dividend Income	-	-	0.89	0.89
	(10.92)	(-)	(-)	(10.92)
Sitting Fees	-	0.17	-	0.17
	(-)	(0.10)	(-)	(0.10)
Salary and Perquisites*	-	45.70	-	45.70
	(-)	(21.05)	(-)	(21.05)

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



## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 44. Related Party Disclosure as required by Accounting Standard-18. (contd.)

- Sale of goods and services includes transaction with OCL India Limited Nil (Previous Year ₹21.92 Cr), Dalmia Bharat Sugar & Industries Limited ₹11.99 Cr (Previous Year ₹12.30 Cr), Dalmia Refractories Limited ₹1.78 Cr (Previous Year ₹16.33 Cr), Himshikhar Investment Limited Nil (Previous Year ₹0.01 Cr).
- Purchase of goods and services includes transaction with Keshav Power Limited ₹2.20 Cr (Previous Year ₹23.73 Cr), Dalmia Refractories Limited ₹15.98 Cr (Previous Year ₹14.07 Cr), Dalmia Bharat Sugar & Industries Ltd ₹9.31 Cr (Previous Year ₹8.36 Cr), OCL India Limited Nil (Previous Year ₹30.75 Cr).
- Reimbursement of expenses – receivable includes transaction with OCL India Limited Nil (Previous Year ₹0.01 Cr), Dalmia Bharat Sugar & Industries Ltd ₹0.25 Cr (Previous Year ₹0.32 Cr), Dalmia Refractories Limited Nil (Previous year ₹0.02 Cr).
- Reimbursement of expenses – payable includes transaction with Dalmia Bharat Sugar & Industries Limited ₹0.15 Cr (Previous Year ₹0.22 Cr), Dalmia Refractories Limited Nil (Previous Year ₹0.01 Cr).
- Rent/Lease Rent payment (includes Lease Rent) includes transaction with Keshav Power Limited Nil (Previous Year ₹2.10 Cr).
- Interest received includes transaction with Dalmia Bharat Sugar & Industries Limited ₹4.61 Cr (Previous Year ₹3.75 Cr), Dalmia Refractories Limited Nil (Previous Year ₹0.30 Cr).
- Refund of Security deposit includes transaction with Keshav Power Ltd Nil (Previous Year ₹6.72 Cr)
- Purchase of fixed assets includes transaction with Dalmia Refractories Limited Nil (Previous Year ₹6.89 Cr).
- Dividend paid includes Dalmia Bharat Sugar & Industries Limited ₹0.33 Cr (Previous Year ₹0.19 Cr).
- Dividend income includes OCL India Limited Nil (Previous Year ₹10.92 Cr), Dalmia Bharat Sugar & Industries Limited ₹0.89 Cr (Previous Year Nil).
- Sitting Fees includes transactions with Sh. Jai Hari Dalmia ₹0.03 Cr (Previous Year ₹0.03 Cr) Sh. Yadu Hari Dalmia ₹0.02 Cr (Previous Year ₹0.02 Cr), Sh Gautam Dalmia ₹0.07 Cr (Previous Year ₹0.02 Cr), Sh. Puneet Yadu Dalmia 0.03 Cr (Previous Year ₹0.03 Cr), Shri Jayesh Doshi ₹0.02 Cr (Previous year Nil).
- Salary & Perquisites includes transaction with Sh Yadu Hari Dalmia ₹2.24 Cr (Previous Year ₹2.82 Cr), Sh Jai Hari Dalmia ₹1.76 Cr (Previous Year ₹1.12 Cr), Sh Puneet Yadu Dalmia ₹12.66 Cr (Previous Year ₹2.28 Cr), Sh. Gautam Dalmia ₹10.71 Cr (Previous Year ₹2.20 Cr.), Sh. Mahendra Singhi ₹16.06 Cr. (Previous Year ₹12.63 Cr.), Shri Jayesh Doshi ₹2.27 Cr (Previous year Nil)

#### (c) Balances outstanding at balance sheet date:

(₹ Crore)

Nature of Transaction	Associate	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loan Receivable	-	-	-	-
	(-)	(-)	(50.00)	(50.00)
Amounts receivable	-	-	1.81	1.81
	(-)	(-)	(1.69)	(1.69)
Amounts payable	-	-	1.66	1.66
	(-)	(-)	(4.74)	(4.74)

- Loan receivable includes Dalmia Bharat Sugar and Industries Limited Nil (Previous Year ₹50.00 Cr).
- Amount receivable includes Dalmia Refractories Limited Nil (Previous Year ₹1.19 Cr), Dalmia Bharat Sugar and Industries Limited ₹1.81 Cr (Previous Year ₹0.50 Cr),
- Amount Payable includes Keshav Power Limited Nil (Previous Year ₹1.05 Cr), Dalmia Refractories Limited ₹1.38 Cr (Previous Year ₹3.44 Cr), Dalmia Bharat Sugar and Industries Limited ₹0.28 Cr (Previous Year ₹0.25 Cr).

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

### 45. Details of the Group's share in Joint Ventures included in the consolidated financial statement are as follows:

Particulars	(₹ Crore)	
	2015-16	2014-15
<b>Non-Current Liabilities</b>		
Other long term liabilities	4.28	4.28
<b>Current Liabilities</b>		
Short term provision	0.03	-
<b>Total</b>	<b>4.31</b>	<b>4.28</b>
<b>APPLICATION OF ASSETS</b>		
<b>Non Current Assets</b>		
Tangible Fixed Assets	0.61	0.61
Capital Work in Progress	5.22	5.62
Long Term loans and advances	1.62	1.59
<b>Total</b>	<b>7.45</b>	<b>7.82</b>
<b>Current Assets</b>		
Cash & cash equivalents	1.82	1.71
Short term Loans & Advances	-	0.04
Other Current Assets	0.08	0.06
<b>Total</b>	<b>1.90</b>	<b>1.81</b>

### 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 34 (3) of SEBI (listing obligations and disclosure requirements) Regulation 2015)

Particulars	(₹ Crore)			
	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
	2015-16	2015-16	2014-15	2014-15
	-	-	-	-

### 47. Movement of long term provision during the year:

Mines Reclamation Liability	(₹ Crore)	
	2015-16	2014-15
Opening Provision	9.76	9.22
Add : Provision during the year	2.16	0.54
<b>Closing Provision</b>	<b>11.92</b>	<b>9.76</b>

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 ₹256.99 Crore and ₹59.00 Crore respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

The OCDs are non- interest bearing and are secured by the pledge of equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the 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.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

Apart from the above investments, the Group has granted loans to Calcom to the extent of ₹264.65 Crores (excluding interest accrued and advance recoverable of ₹31.38 crore) as at March 31, 2016 to fund its ongoing Projects as well as losses.

Calcom has accumulated losses of ₹471.35 crore as at March 31, 2016. 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. In earlier years, its step down subsidiaries Calcom Cement India Limited and Adhunik Cement Limited had imported certain plant and machinery under EPCG scheme without payment of applicable custom duty / excise duty for which they had assumed export obligation to be fulfilled as per the provisions of the said scheme. As at the balance sheet date, the management has, based on its latest business plan, estimated that the Companies will be able to fulfil only a portion of the export obligation within the stipulated time and consequently, an amount of ₹0.21 Cr (Previous year ₹24.32 Cr) has been provided towards the custom duty / excise duty (out of which ₹0.04 Cr (Previous year ₹4.83 Cr) has been capitalised with the cost of the underlying plant and machinery with retrospective effect and ₹0.16 Cr (Previous year ₹19.49 Cr) has been treated as input credit receivable and ₹2.05 Cr (Previous year ₹29.90 Cr) has been accrued towards interest due to non-fulfilment of export obligation out of which ₹0.45 Cr (Previous year ₹13.89 Cr) has been capitalised in terms of Accounting Standard 16 and ₹1.60 Cr (Previous year ₹16.01 Cr) has been charged off to Statement of Profit & Loss. Depreciation for the year is higher by ₹0.46 Cr (Previous year ₹2.19 Cr) due to above adjustments.

50. During the earlier years, the group had invested ₹453.56 Crore in Adhunik Cement Limited to make it 100% subsidiary company. The group has granted loans to the extent of ₹93.40 Cr. (excluding interest accrued and advance recoverable of ₹8.92 Cr.) as at March 31, 2016.

Adhunik has accumulated losses of ₹467.65 crore as at March 31, 2016. During the year, the subsidiary become a sick company. However, keeping in view of strategic long term nature of investment, no impairment has been considered for carrying cost of investments and loans / advances given to Adhunik.

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 company's step down subsidiary Golden Hills Resort Private Limited 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.

The Group has made an investment of ₹1.84 crore in shares of Khappa Coal Company Private Limited and given advance against share application money of ₹4.28 crore.

Consequent upon decision of Hon'ble Supreme Court of India for cancellation of coal block vide order dated 24th September 2014, the company has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to ₹6.12 crore in earlier years.

54. Board of Directors of Group's subsidiaries in their respective meetings held on 28th March,2016 approved scheme of arrangement and amalgamation amongst Dalmia Cement (Bharat) Limited (DCBL) ,DCB Power Ventures Limited ('DCBPVL'), Adwetha Cement Holdings Limited ('ACHL') and Dalmia Power Limited ('DPL') and their respective shareholders and creditors, in terms of sections 391 to 394 of the Companies Act,1956 and other applicable provisions, if any, of the Companies Act,1956 and Companies Act,2013. It involves amalgamation of ACHL with the DCBL, transfer and vesting of power undertakings of DCBPVL to DCBL, by way of slump sale on a going concern basis and amalgamation of residual DCBPVL with DPL. The Company's subsidiaries have filed scheme of arrangement and amalgamation with Hon'ble High Court of Madras from appointed date Jan 1,15 / March 15,16 as applicable. The Board of Group's subsidiary also approved to revive scheme of amalgamation of subsidiaries Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited with DCBL and filed the scheme of arrangement and amalgamation from appointed date Jan 1, 2015 with the Hon'ble High Court of Madras, Meghalaya and Assam.

Group's step down subsidiaries OCL India Limited ('OCL'), Odisha Cement Limited ('ODCL'), Dalmia Cement East Limited ('DCEL'), Shri Rangam Securities & Holdings Limited ('SRSHL') and Dalmia Bharat Cements Holdings Limited ('DBCHL') entered in to scheme of arrangement and amalgamation in terms of sections 391 to 394 of the Companies Act,1956 and other applicable provisions, if any, of the Companies Act,1956 and Companies Act,2013. It involves transfer and vesting of certain undertakings of OCL and DCEL to ODCL

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

by way of slump sale on a going concern basis and subsequent amalgamation of residual OCL, residual DCEL, DBCHL and SRSHL with ODCL including change of ODCL's name to OCL India Limited. Company's Subsidiaries have filed the scheme of arrangement and amalgamation with Hon'ble High Court of Madras and Odisha, from appointed date January 1, 2015.

55. During the quarter, the Group increased its stake in subsidiary company Dalmia Cement (Bharat) Limited from 85.01% to 100% by allotment of 75 lakh equity shares of ₹2/- each @ ₹825/- per share for consideration other than cash and payment of ₹600.00 Cr in cash to KKR Mauritius Cements Investments Limited.
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. The Group has given loans / advances to various companies. Loans amount outstanding as at year end is given in below mentioned table along with purpose of the loan.

	(₹ Crore)	
	Amount outstanding	
	As at March 31, 2016	As at March 31, 2015
<b>Short term loan given for general Corporate purposes</b>		
Rewas Ports Limited (@10% p.a.)	40.00	40.00
Dalmia Bharat Sugar and Industries Limited(@10% p.a.)	-	50.00
<b>Long Term loan given for employees welfare</b>		
DBL Employees Welfare Trust (Interest free)	27.08	27.32

58. The Group is involved in various litigations (including arbitrations) the liability of which are considered probable and in respect of which the Company has liabilities for ₹71.98 Cr. (₹55.57 Cr.) at year ended March 31, 2016.
59. In respect of license granted for captive mining block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on 29th March 2010 in which the Company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.696%. The Company has invested ₹7.35 Cr (₹7.35 Cr) in equity shares of the JV company which includes ₹3.84 Cr (₹3.84 Cr) being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Govt of India and other Joint Venture Partners. Consequent upon decision of the Hon'ble Supreme Court of India cancelling the allocation of Coal block, vide Order dated 24th September, 2014, OCL India Limited is in the process of assessing the recoverability of the amounts invested of ₹3.51 Cr. in the Joint Venture Company "Radhikapur (West) Coal Mining Private Ltd." As a matter of prudence, a provision for similar amount has been made in the accounts during the earlier years.
60. Group's subsidiary Dalmia Cement East Limited had challenged the constitutional validity of West Bengal Tax on entry of goods into local area Act 2012, before the Hon'ble Kolkata high court. The Hon'ble Kolkata high court vide its order dated 26th June 2013 was pleased to extend the same order that was passed in the case of writ petition no. 11407 (w) of 2012 decided by the learned single judge on 24th June 2013 declaring the act as unconstitutional on multifarious grounds. The state government had gone in appeal before the divisional bench against the original order passed in Writ Petition number 11407 (w) of 2012. Pending decision of larger bench, the Company had discontinued depositing the entry tax under the said act. Consequent to the decision of Kolkata high court, the aggregate amount of ₹2.55 Cr deposited by the Company on account of entry tax till September 13 is now being shown as part of Loans and advances.
61. Income Tax department has carried out Search operation in the Office premises of its step down subsidiaries namely Calcom Cement India Limited and Adhunik Cement Limited on 11th March 2016. Investigation process is still in progress & the company has not received any show cause notice. Impact of the search, if any, can be ascertained only after the assessment is completed, however as of now management don't expect any financial obligation/impact.
62. The revised consolidated financial statements incorporate the audited consolidated financial statements of one step down subsidiary, audit of which was completed on 23rd May, 2016 after the date of approval of consolidated financial statements of the Company approved by Board of Directors on 18th May, 2016. The auditors of the Company had issued a qualified opinion due to consolidation of management certified unaudited consolidated financial statements of the said step down subsidiary. There is no change in the financial numbers presented in revised consolidated financial statements when compared with numbers presented in originally consolidated financial statements. Accordingly, the auditors of the Company have been requested to issue revised audit report on these revised consolidated financial statements of the Company. The dispute with the minority shareholders of such step down subsidiary is presently sub-judice before National Company Law Tribunal, Guwahati bench (earlier Company Law Board, Kolkata) and are being addressed by the management.

## Notes to Consolidated Financial Statements (contd.) for the year ended March 31, 2016 (Revised)

63. The Group has started commercial production at its Belgaum Power plant with effect from 01-11-2015, Umrangsoo Cement plant with effect from 01-02-16, Belgaum Cement plant with effect from 31-03-16.
64. The group has debited direct expenses relating to limestone mining, captive power generation, depot expense etc. to cost of raw material consumed, power& fuel and other accounts as under:

	(₹ Crore)	
	2015-16	2014-15
Cost of raw materials consumed	60.31	60.87
Power and fuel	68.19	45.30
Repair and maintenance to Plant & Machinery	34.14	39.80
Depot expenses	7.07	7.37
<b>Total</b>	<b>169.71</b>	<b>153.34</b>

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

	(₹ Crore)	
	2015-16	2014-15
Consumption of stores and spare parts	80.45	86.43
Rent (lease rent)	62.20	43.64
Insurance	0.04	0.04
Salary and wages	8.28	6.52
Power Charges	4.60	3.89
Rates and Taxes	11.30	7.78
Repairs & Maintenance	0.75	1.64
Miscellaneous expense	2.09	3.40
<b>Total</b>	<b>169.71</b>	<b>153.34</b>

65. In respect of its step down subsidiaries Calcom Cement India Limited & Adhunik Cement Limited, Revenue from operations for the year ended 31 March 2016 include ₹12.26 Crores on account of matter relating to excise duty remission decided in favour of the Company by the Hon'ble High Court of Guwahati. The amount recognised in the current year includes ₹10.27 Crores pertaining to the previous periods. The Department of Excise and Customs has appealed against the decision of the Hon'ble High Court of Guwahati to the Apex Court and the matter is pending to be adjudicated. The management is confident of favorable decision by the Apex Court in the above matter.

### 66. Previous Year Comparatives

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

As per our report of even date

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

**Sunil Wahal**  
Partner  
Membership No.: 087294

Place : New Delhi  
Date: 17th August, 2016

**Y. H. Dalmia**  
Managing Director  
DIN: 00009800

**Jayesh Doshi**  
Wholetime Director & Group CFO  
DIN: 00017963

**Nidhi Bisaria**  
Company Secretary  
Membership No. F5634

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# Annexures to Directors' Report

# Annexure forming part of Directors' Report

## Annexure 1

Salient features of financial statements of subsidiary / associates / Joint ventures as per Companies Act, 2013  
Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

**PART - A : Subsidiaries**

													(₹ in Crore)
S. No.	Name of the subsidiary	Reporting Currency	Share capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
<b>Subsidiary</b>													
1	Dalmia Cement (Bharat) Limited	INR	252.92	2,871.91	8,857.23	5,732.40	3,218.77	2,399.00	360.00	176.73	183.27	-	100.00%
2	Kanika Investment Limited	INR	0.42	4.66	5.12	0.04	3.74	-	0.71	0.01	0.70	-	100.00%
3	Dalmia Power Limited	INR	0.50	(6.56)	276.33	282.39	222.20	-	(6.34)	-	(6.34)	-	100.00%
4	Adwetha Cement Holdings Limited	INR	0.05	(2.92)	600.05	602.92	600.00	-	(2.92)	-	(2.92)	-	100.00%
<b>Step down Subsidiaries</b>													
5	D.L. Properties Limited	INR	0.25	0.16	2.34	1.93	-	-	(0.16)	-	(0.16)	-	100.00%
6	Shri Rangam Properties Limited	INR	0.25	0.67	9.39	8.47	-	-	(0.01)	-	(0.01)	-	100.00%
7	Arjuna Brokers & Minerals Limited	INR	0.05	0.01	0.06	-	-	-	-	-	-	-	100.00%
8	Dalmia Minerals & Properties Limited	INR	0.05	(0.10)	51.15	51.20	12.50	-	(0.05)	-	(0.05)	-	100.00%
9	Shri Radha Krishna Brokers & Holdings Limited	INR	0.05	0.02	0.07	-	0.04	-	-	-	-	-	100.00%
10	Sri Shanmugha Mines & Minerals Limited	INR	0.05	-	8.36	8.31	-	-	-	-	-	-	100.00%
11	Sri Subramanya Mines & Minerals Limited	INR	0.05	0.02	5.32	5.25	-	-	-	-	-	-	100.00%
12	Ishita Properties Limited	INR	0.05	(2.83)	1.03	3.81	0.50	-	0.40	0.09	0.31	-	100.00%
13	Hemshila Properties Limited	INR	0.25	0.43	6.40	5.72	0.01	-	(0.01)	-	(0.01)	-	100.00%
14	Geetee Estates Limited	INR	0.05	0.38	6.49	6.06	-	-	(0.01)	-	(0.01)	-	100.00%
15	Sri Swaminatha Mines & Minerals Limited	INR	0.05	0.15	2.70	2.50	-	-	(0.01)	-	(0.01)	-	100.00%
16	Sri Trivikrama Mines and Properties Limited	INR	0.05	(0.10)	6.31	6.36	-	-	(0.04)	-	(0.04)	-	100.00%
17	Sri Madhusudana Mines and Properties Limited	INR	0.05	0.23	6.32	6.04	-	-	(0.01)	-	(0.01)	-	100.00%
18	Sri Dhandauthapani Mines and Minerals Limited	INR	0.05	0.08	0.14	0.01	0.12	-	-	-	-	-	100.00%
19	Golden Hills Resort Private Limited	INR	0.94	0.06	1.52	0.52	-	-	-	-	-	-	100.00%
20	Rajputna Properties Private Limited	INR	0.01	-	1.46	1.45	-	-	-	-	-	-	100.00%
21	DCB Power Ventures Limited	INR	0.50	410.59	871.88	460.79	259.46	64.86	43.75	23.78	19.97	-	100.00%
22	Sutnga Mines Private Limited	INR	2.00	(0.03)	1.98	0.01	1.41	-	-	-	-	-	100.00%
23	Cosmos Cements Limited	INR	14.00	(0.33)	49.49	35.82	-	-	(0.05)	-	(0.05)	-	100.00%
24	Adhunik Cement Limited	INR	32.95	(85.14)	946.83	999.03	2.00	416.78	(111.50)	-	(111.50)	-	100.00%
25	Adhunik MSP Cement (Assam) Limited	INR	0.25	1.60	2.00	0.15	-	-	(0.15)	-	(0.15)	-	100.00%
26	Calcolm Cement India Limited	INR	408.79	(265.96)	1,521.65	1,378.82	72.76	401.71	5.16	-	5.16	-	76.00%
27	RCL Cements Limited	INR	3.63	15.67	41.75	22.45	31.07	1.37	(0.81)	-	(0.81)	-	100.00%
28	SCL Cements Limited	INR	2.97	(24.27)	12.64	33.94	-	0.44	(5.03)	-	(5.03)	-	100.00%
29	Vinay Cement Limited	INR	18.90	(106.49)	110.60	198.19	53.12	2.13	(19.58)	-	(19.58)	-	97.21%
30	Bangaru Kamakshiamman Agro Farms Private Limited	INR	0.01	(0.31)	3.95	4.25	-	-	(0.31)	-	(0.31)	-	100.00%
31	Dalmia Bharat Cements Holdings Limited	INR	83.16	132.02	923.19	708.01	908.05	-	(82.97)	-	(82.97)	-	100.00%
32	Jayevijay Agro Farms Private Limited	INR	0.01	(0.54)	3.24	3.77	-	-	(0.31)	-	(0.31)	-	100.00%
33	Shri Rangam Securities & Holdings Limited	INR	90.85	816.23	985.29	78.21	984.34	-	(0.14)	-	(0.14)	-	100.00%
34	Dalmia Cement East Limited	INR	133.65	126.15	733.29	473.49	24.98	629.56	75.89	26.57	49.32	-	100.00%
35	OCL India Limited	INR	11.39	1,393.72	3,450.85	2,045.75	1,423.86	2,664.70	289.60	53.31	236.29	-	74.66%
36	OCL Global Limited	USD	13.48	48.04	69.57	8.05	28.32	86.11	(0.16)	-	(0.16)	-	100.00%
37	OCL China Limited	RMB	24.41	17.57	79.04	37.06	-	68.34	(2.51)	0.12	(2.63)	-	90.00%
38	Odhisa Cement Limited	INR	0.05	(0.01)	0.04	0.00	-	0.00	(0.00)	0.00	(0.00)	-	100.00%

**Names of subsidiaries which are yet to commence operation**

Nil

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

Nil

**PART - B : Associates and Joint Ventures**

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

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

(₹ in Crore)

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associates/ Joint Venture	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year considered in consolidation	Profit/Loss for the year not considered in consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	<b>Joint Venture</b>									
1	Khappa Coal Company Private Limited	31-Mar-16	18,36,500	1.84	36.73%	1.46	(0.38)	-	-	-
2	Radhikapur (West) Coal Mining Private Limited	31-Mar-16	38,35,000	3.84	7.03%	3.58	0.07	-	-	-

Y. H. Dalmia  
Managing Director  
(DIN No. 00009800)

Jayesh Doshi  
Wholetime Director &  
Group CFO  
(DIN No. 00017963)

Place: New Delhi  
Date: 17th August, 2016

Nidhi Bisaria  
Company Secretary  
(Membership No. F5634)



## Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

on the financial year ended on 31-3-2016

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

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L40109TN2006PLC058818
ii)	Registration Date	10-2-2006
iii)	Name of the Company	DALMIA BHARAT LIMITED
iv)	Category/Sub- Category of the Company	PUBLIC LIMITED COMPANY
v)	Address of the Registered office and Contact Details	DALMIAPURAM-621651, DIST. TIRUCHIRAPALLI, TAMIL NADU Phone No. 04329-235132 Fax No. 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PRIVATE LIMITED Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No: 040 6716 1500

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No	Name and Description of main products/services	NIC Code of the Product/Service	% of total turnover of the Company
1	Head Office Services	70	91.06%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dalmia Power Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U40109TN2005PLC057326	Subsidiary	100%	2(87)
2	DCB Power Ventures Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U40109TN2006PLC058819	Step down Subsidiary	NIL	2(87)
3	Adwetha Cement Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U74900TN2016PLC103518	Subsidiary	100%	2(87)
4	Kanika Investment Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1979PLC050181	Subsidiary	100%	2(87)
5	Dalmia Cement (Bharat) Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65191TN1996PLC035963	Subsidiary	92.62%	2(87)
6	Ishita Properties Limited 11th floor, Hansalaya, 15 Barakhamba Road, New Delhi - 110001	U45203DL1994PLC116832	Step down Subsidiary	NIL	2(87)
7	D. I. Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1996PLC035964	Step down Subsidiary	NIL	2(87)
8	Geetee Estates Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1996PLC035965	Step down Subsidiary	NIL	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
9	Hemshila Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65191TN1996PLC035962	Step down Subsidiary	NIL	2(87)
10	Shri Rangam Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1997PLC037308	Step down Subsidiary	NIL	2(87)
11	Shri Radha Krishna Brokers & Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U67200TN2005PLC057330	Step down Subsidiary	NIL	2(87)
12	Sri Shanmugha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058817	Step down Subsidiary	NIL	2(87)
13	Sri Swaminatha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058820	Step down Subsidiary	NIL	2(87)
14	Sri Subramanya Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058816	Step down Subsidiary	NIL	2(87)
15	Sri Dhandauthapani Mines and Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC061254	Step down Subsidiary	NIL	2(87)
16	Sri Trivikrama Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14102TN2006PLC061212	Step down Subsidiary	NIL	2(87)
17	Sri Madhusudana Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14105TN2006PLC061260	Step down Subsidiary	NIL	2(87)
18	Arjuna Brokers & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U67200TN2005PLC057329	Step down Subsidiary	NIL	2(87)
19	Dalmia Minerals & Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2005PLC057327	Step down Subsidiary	NIL	2(87)
20	Sutnga Mines Private Limited Block (iii), Ferndale Complex, Keating Road, Shillong, Meghalaya - 793001	U13209ML2007PTC008281	Subsidiary of Step-down subsidiary	NIL	2(87)
21	Cosmos Cements Limited Block (iii), Ferndale Complex, Keating Road, Shillong, Meghalaya - 793001	U26959ML2007PLC008279	Subsidiary of Step-down subsidiary	NIL	2(87)
22	Rajputana Properties Private Limited House No. C-20, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U45201RJ2008PTC025767	Step down Subsidiary	NIL	2(87)
23	Golden Hills Resort Private Limited House No. C-20, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U55101RJ2003PTC018766	Step down Subsidiary	NIL	2(87)
24	Calcom Cement India Limited 3rd and 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26942AS2004PLC007538	Step down Subsidiary	NIL	2(87)
25	Vinay Cement Limited Jamuna Nagar, Umrangshu, Dist. North Cachar Hills - 788931	U26942AS1986PLC002553	Subsidiary of Step-down subsidiary	NIL	2(87)
26	SCL Cements Limited 3rd and 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26959AS1999PLC008422	Subsidiary of Step-down subsidiary	NIL	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
27	RCL Cements Limited 3rd and 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26941AS1997PLC005279	Subsidiary of Step-down subsidiary	NIL	2(87)
28	Adhunik Cement Limited Vill Thangskai, Lumshnong, Khelriahat, Meghalaya, 793200	U26942ML2003PLC007090	Step down Subsidiary	NIL	2(87)
29	Adhunik MSP Cement (Assam) Limited 3rd and 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26959AS2008PLC008717	Subsidiary of Step-down subsidiary	NIL	2(87)
30	Dalmia Bharat Cements Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U26911TN2014PLC095681	Step down Subsidiary	NIL	2(87)
31	Shri Rangam Securities & Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U26950TN2014PLC095685	Subsidiary of Step-down subsidiary	NIL	2(87)
32	JayeVijay Agro Farms Private Limited Old No. 2-61, New no. 2-59 Vinayagar Kovil Street, Thuraiyur, Tamil Nadu - 621008	U01400TN2013PTC094135	Step down Subsidiary	NIL	2(87)
33	Bangaru Kamakshiamman Agro Farms Private Limited, Old No. 2-61, New No. 2-59 Vinayagar Kovil Street, Thuraiyur, Tamil Nadu - 621008	U01400TN2013PTC090653	Step-down subsidiary	NIL	2(87)
34	Dalmia Cement East Limited Dalmiapuram, Dist. Tiruchipalli, Tamil Nadu - 621651	U45209TN2008PLC110322	Subsidiary of Step-down subsidiary	NIL	2(87)
35	OCL India Limited AT/PO/PS: - Rajgangpur, Dist:- Sundargarh, Odisha, Pin-770017.	L26942OR1949PLC000185	Step down Subsidiary	NIL	2(87)
36	OCL Global Limited 44, St George Street, Port-Louis, Mauritius	Not Applicable	Subsidiary of Step-down subsidiary	NIL	2(87)
37	OCL China Limited Nanlou Economic Development Zone, Chenjia Village, Dashiqiao - 115103, Liaoning, China	Not Applicable	Subsidiary of Step-down subsidiary	NIL	2(87)
38	Odisha Cement Limited AT/PO/PS: - Rajgangpur, Dist:- Sundargarh, Odisha, Pin-770017.	U14200OR2013PLC017132	Subsidiary of Step-down subsidiary	NIL	2(87)
39	Khappa Coal Company Private Limited 33, Mount Road, Sadar, Nagpur-440001	U10100MH2009PTC191907	Joint Venture of Subsidiary	NIL	2(6)
40	Radhikapur (West) Coal Mining Private Limited Plot No.52, Saheed Nagar, Bhubaneswar, Orissa, Pin-751 007	U10100OR2010PTC011795	Joint Venture of Step-down Subsidiary	NIL	2(6)

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

##### i) Category-wise Share Holding

Category of shareholder	No. of shares held at the beginning of the year 01/04/2015				No. of shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	3726778	0	3726778	4.59	3726778	0	3726778	4.20	(0.39)
(b) Central Govt./State Govt.	0	0	0	0.00	0	0	0	0.00	0

Category of shareholder	No. of shares held at the beginning of the year 01/04/2015				No. of shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c) Bodies Corporate	47168898	0	47168898	58.10	47168898	0	47168898	53.22	(4.88)
(d) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0
(e) Others (Trust)	86665	0	86665	0.11	86665	0	86665	0.10	(0.01)
<b>Sub-Total A(1) :</b>	<b>50982341</b>	<b>0</b>	<b>50982341</b>	<b>62.80</b>	<b>50982341</b>	<b>0</b>	<b>50982341</b>	<b>57.42</b>	<b>(5.38)</b>
<b>(2) Foreign</b>									
(a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0
(b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
(d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
(e) Any Others	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Total A=A(1)+A(2)</b>	<b>50982341</b>	<b>0</b>	<b>50982341</b>	<b>62.80</b>	<b>50982341</b>	<b>0</b>	<b>50982341</b>	<b>57.42</b>	<b>(5.38)</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	1350711	0	1350711	1.66	3136339	0	3136339	3.53	1.87
(b) Banks/FI	1524904	25256	1550160	1.91	669397	25256	694653	0.78	(1.13)
(c) Central Govt. / State Govt.	59200	68955	128155	0.16	59200	68955	128155	0.14	(0.02)
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(e) Insurance Companies	171809	0	171809	0.21	197330	0	197330	0.22	0.01
(f) Foreign Institutional Investors	7248172	0	7248172	8.93	6908286	0	6908286	7.78	(1.15)
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-Total B(1) :</b>	<b>10354796</b>	<b>94211</b>	<b>10449007</b>	<b>12.87</b>	<b>10970552</b>	<b>94211</b>	<b>11064763</b>	<b>12.46</b>	<b>(0.41)</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corporate	3308273	29414	3337687	4.11	3563114	28029	3591143	4.04	(0.07)
(b) Individuals									
(i) Individuals holding nominal share capital upto ₹1 lakh	5182916	2657675	7840591	9.66	5358912	2555160	7914072	8.91	(0.74)
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	4668628	0	4668628	7.77	3783416	0	3783416	4.26	(1.49)
(c) Others (specify)									
(i) Clearing Members	13031	0	13031	0.02	34798	0	34798	0.04	0.02
(ii) Directors And Their Relatives	14660	0	14660	0.02	6075	0	6075	0.01	(0.01)
(iii) Enemy Individuals	0	188303	188303	0.23	0	188303	188303	0.21	(0.02)
(iv) Foreign Nationals	0	19655	19655	0.02	0	17325	17325	0.02	0
(v) Non Resident Indians	434089	58376	492465	0.61	470838	58376	529214	0.60	(0.01)
(vi) Trusts	3182935	0	3182935	3.92	3181853	0	3181853	3.58	(0.34)
(vii) Foreign Body Corporate	0	0	0	0	7500000	0	7500000	8.45	8.45
<b>Sub-Total B(2) :</b>	<b>16804532</b>	<b>2953423</b>	<b>19757955</b>	<b>24.34</b>	<b>23899006</b>	<b>2847193</b>	<b>26746199</b>	<b>30.13</b>	<b>5.79</b>
<b>Total B=B(1)+B(2) :</b>	<b>27159328</b>	<b>3047634</b>	<b>30206962</b>	<b>37.20</b>	<b>34869558</b>	<b>2941404</b>	<b>37810962</b>	<b>42.58</b>	<b>5.38</b>
<b>C. Shares held by custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C) :</b>	<b>78141669</b>	<b>3047634</b>	<b>81189303</b>	<b>100.00</b>	<b>85851899</b>	<b>2941404</b>	<b>88793303</b>	<b>100.00</b>	<b>0</b>

The total share capital of the Company has increased by 76,04,000 shares issued pursuant to the ESOP & Preferential Allotment made by the Company during F.Y. 2015-16.

## ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0.39	0	315175	0.35	0	(0.04)
2	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.30	0	241005	0.27	0	(0.03)
3	Shri Jai Hari Dalmia	1635010	2.01	0	1635010	1.84	0	(0.17)
4	Smt. Kavita Dalmia	376670	0.46	0	376670	0.42	0	(0.04)
5	Shri Gautam Dalmia	1073308	1.32	0	1073308	1.21	0	(0.11)
6	Smt. Anupama Dalmia	11250	0.01	0	11250	0.01	0	0
7	Ku. Sukeshi Dalmia	37180	0.05	0	37180	0.04	0	(0.01)
8	Ku. Vaidehi Dalmia	37180	0.05	0	37180	0.04	0	(0.01)

S. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
9	Alirox Abrasives Limited	120360	0.15	0	120360	0.14	0	(0.01)
10	Dalmia Bharat Sugar and Industries Limited	9,42,567	1.16	0	9,42,567	1.06	0	(0.10)
11	Himgiri Commercial Limited	7,38,265	0.91	0	7,38,265	0.83	0	(0.08)
12	Kavita Trading & Investment Co. Pvt. Ltd.	3,00,570	0.37	0	3,00,570	0.34	0	(0.03)
13	Mayuka Investment Limited	1,78,87,537	22.03	0	1,78,87,537	20.15	0	(1.88)
14	Puneet Trading and Investment Co. Pvt. Ltd.	2,361,615	2.91	0	23,61,615	2.66	0	(0.25)
15	Rama Investment Company Private Limited	26,44,985	3.26	0	26,44,985	2.98	0	(0.28)
16	Sita Investment Company Limited	58,76,800	7.24	0	58,76,800	6.62	0	(0.62)
17	Valley Agro Industries Limited	3,500	0	0	3,500	0	0	0
18	Ankita Pratisthan Limited	58,29,070	7.18	0	58,29,070	6.56	0	(0.62)
19	Keshav Power Limited	23,60,263	2.91	0	23,60,263	2.66	0	(0.25)
20	Shree Nirman Limited	77,53,890	9.55	0	77,53,890	8.73	0	(0.82)
21	Dalmia Refractories Limited	3,49,476	0.43	0	3,49,476	0.39	0	(0.04)
22	Ku. Shrutipriya Dalmia C/o. Shrutipriya Dalmia Trust	86,665	0.11	0	86,665	0.10	0	(0.01)
	<b>Total</b>	<b>5,09,82,341</b>	<b>62.80</b>	<b>0</b>	<b>5,09,82,341</b>	<b>57.42</b>	<b>0</b>	<b>(5.38)</b>

The change in % to total share capital during the year is due to the increase in the total share capital of the Company by 76,04,000 shares issued pursuant to the ESOP & Preferential Allotment made by the Company during F.Y. 2015-16.

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

DATEWISE CHANGES IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares held	% of total shares of the company	No. of Shares	% of total shares of the company
-	-	-	-	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders ( Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares held	% of total shares of the company	No. of Shares	% of total shares of the company
1	KKR MAURITIUS CEMENT INVESTMENTS LIMITED	Opening Balance	1/04/2015	0	0.00	0	0.00
		Preferential Allotment	9/03/2016	75,00,000	8.45	75,00,000	8.45
		Closing Balance	31/03/2016			75,00,000	8.45
2	MORGAN STANLEY ASIA (SINGAPORE) PTE.	Opening Balance	1/04/2015	3048552	3.75	3048552	3.75
		Sale	10/04/2015	23205	0.03	3025347	3.73
		Purchase	15/05/2015	486	0.00	3025833	3.73
		Purchase	28/08/2015	9465	0.01	3035298	3.74
		Purchase	11/09/2015	2034	0.00	3037332	3.74
		Purchase	25/09/2015	882	0.00	3038214	3.74
		Purchase	30/09/2015	2300	0.00	3040514	3.74
		Purchase	11/12/2015	7592	0.01	3048106	3.75

Sl. No.	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares held	% of total shares of the company	No. of Shares	% of total shares of the company
3	SANJEEV KAPOOR	Purchase	18/12/2015	1057	0.00	3049163	3.75
		Sale	08/01/2016	40400	0.05	3008763	3.70
		Sale	31/03/2016	17000	0.02	2991763	3.37
		Closing Balance	31/03/2016			2991763	3.37
		Opening Balance	1/04/2015	1641588	2.02	1641588	2.02
4	DCBL EMPLOYEES WELFARE TRUST	Closing Balance	31/03/2016			1641588	1.85
		Opening Balance	1/4/2015	1507198	1.86	1507198	1.86
5	GOLDMAN SACHS INDIA FUND LIMITED	Closing Balance	31/03/2016			1507198	1.70
		Opening Balance	1/4/2015	0	0.00	0	0.00
6	VIRAL AMAL PARIKH	Purchase	05/06/15	1075914	1.33	1075914	1.33
		Purchase	26/06/15	26414	0.03	1102328	1.36
		Purchase	31/07/15	12500	0.02	1114828	1.37
		Closing Balance	31/03/16			1114828	1.26
		Opening Balance	1/04/2015	1084728	1.34	1084728	1.34
7	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED	Closing Balance	31/03/2016			1084728	1.22
		Opening Balance	1/04/2015	850040	1.05	850040	1.05
8	VALIANT MAURITIUS PARTNERS LIMITED	Purchase	31/12/15	26500	0.03	876540	1.08
		Purchase	01/01/16	1590	0	878130	1.08
		Purchase	08/01/16	22790	0.03	900920	1.11
		Purchase	19/02/16	4685	0.01	905605	1.11
		Purchase	26/02/16	50669	0.06	956274	1.18
		Sale	04/03/16	41890	0.05	998164	1.23
		Closing Balance	31/03/16			998164	1.12
		Opening Balance	1/04/2015	792270	0.98	792270	0.98
		Purchase	31/12/2015	23500	0.03	815770	1.00
		Purchase	01/01/2016	1410	0.00	817180	1.01
9	GAGANDEEP CREDIT CAPITAL PVT LTD	Purchase	08/01/2016	20210	0.02	837390	1.03
		Purchase	19/02/2016	575	0.00	837965	1.03
		Purchase	26/02/2016	20605	0.03	858570	1.06
		Purchase	04/03/2016	41890	0.05	816680	1.00
		Closing Balance	31/03/2016			816680	0.92
		Opening Balance	1/04/2015	742500	0.91	742500	0.91
		Purchase	08/01/2016	742500	0.91	1485000	1.83
10	HARSH JAIN	Sale	08/01/2016	742500	0.91	742500	0.91
		Closing Balance	31/03/2016			742500	0.84
		Opening Balance	1/04/2015	512351	0.63	512351	0.63
		Sale	05/06/2015	5536	0.01	506815	0.62
		Closing Balance	31/03/2016			506815	0.57

v) Shareholdings of Directors and Key Managerial Personnel:

S. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
1	JAI HARI DALMIA	1635010	2.01	1635010	2.01
2	GAUTAM DALMIA	1073308	1.32	1073308	1.32
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the Year				
1	JAI HARI DALMIA	1635010	1.84	1635010	1.84
2	GAUTAM DALMIA	1073308	1.21	1073308	1.21

The change in % to total share capital during the year is due to the increase in the total share capital of the Company by 76,04,000 shares issued pursuant to the ESOP & Preferential Allotment made by the Company during F.Y. 2015-16.

## V. INDEBTEDNESS

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

(Amt. in ₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i. Principal amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the Financial Year</b>				
■ Addition	75.02	150.00	-	225.02
■ Reduction	-	-	-	-
<b>Net Change</b>	75.02	150.00	-	225.02
<b>Indebtedness at the end of the Financial Year</b>				
i. Principal amount	75.00	150.00	-	225.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.02	-	-	0.02
<b>Total (i+ii+iii)</b>	75.02	150.00	-	225.02

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹ crore)

S. No.	Particulars of Remuneration	Name of the Managing Directors/ Whole time Director			Total Amount
		Mr. Jai H. Dalmia (MD)	Mr. Y.H. Dalmia (MD & CEO)	Mr. Jayesh Doshi (WTD & Group CFO)	
1.	<b>Gross Salary</b>				
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	1.11	1.65	2.15	4.91
(b)	Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.09	0.18	0.01	0.28
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission*				
	- As % of profit	0.51	0.38	-	0.89
	- Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	1.71	2.21	2.16	6.08
	Ceiling as per the Act	10% of the net profits i.e. ₹7.47 crore			

\* Payable subject to the approval of shareholders in the forthcoming Annual General Meeting.

**B. Remuneration to other Directors:**

**1. Independent Directors:**

(Amt. in ₹ crore)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. P.K. Khaitan	Mr. V.S. Jain	Mr. N. Gopaldaswamy	
Fee for attending Board / Committee Meeting	0.04	0.07	0.06	0.17
Commission	0.10	0.10	0.10	0.30
Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>0.14</b>	<b>0.17</b>	<b>0.16</b>	<b>0.47</b>

**2. Other Non-Executive Directors:**

(Amt. in ₹ crore)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. Gautam Dalmia	Mr. Puneet Yadu Dalmia	Mrs. Sudha Pillai	
Fee for attending Board / Committee Meeting	0.03	0.03	0.03	0.09
Commission	-	-	0.10	0.10
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>0.03</b>	<b>0.03</b>	<b>0.13</b>	<b>0.19</b>
<b>Total (B) = (1) + (2)</b>				<b>0.66</b>
<b>Total Managerial Remuneration (excluding sitting fees)</b>				<b>6.48</b>
<b>Overall Ceiling as per the Act</b>	<b>11% of the net profits i.e. 8.22 crore</b>			

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

(Amt. in ₹ crore)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Nidhi Bisaria Company Secretary	Group CFO*	Total
1.	Gross Salary			
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.13	-	0.13
(b)	Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify....	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: None**

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



## Annexure 3

### NOMINATION AND REMUNERATION POLICY

- 1) **Objective:** The Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder, and the Clause 49(IV) of the Listing Agreement.
- 2) **Definitions:**
  - a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
  - b. "Board" means the Board of Directors of the Company.
  - c. "Directors" means the Directors of the Company as may be appointed from time to time.
  - d. "Independent Director" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in the Companies Act, 2013
  - e. "Key Managerial Personnel" (KMP) in relation to the Company means (i) Chief Executive Officer or the Managing Director; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (iv) such other officer as may be prescribed.
  - f. "Senior Management Persons" (SMP) means personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including the functional heads.
- 3) **Constitution of the Committee and matters relating there to:**
  - (a) **Constitution:**
    - (i) The Committee shall consist of three or more non-executive directors, out of which not less than one half shall be independent directors.
    - (ii) Minimum two members shall constitute a quorum for the meeting.
    - (iii) The Chairman of the Committee shall be an Independent Director.
    - (iv) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.
    - (v) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.
  - (b) **Frequency of Meetings:**

The meeting of the Committee shall be held at such regular intervals as may be required.
  - (c) **Secretary:**

The Company Secretary of the Company shall act as the Secretary of the Committee.
- 4) **Role of the Committee:**
  - (a) The Committee shall identify persons who are qualified to become Directors in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - (b) The Committee shall carry out evaluation of performance of every Director other than the Independent Directors.
  - (c) The Committee shall identify persons who may be appointed as KMPs in accordance with the criteria laid down and recommend to the Board their appointment and removal.
  - (d) The Committee shall lay down the criteria for appointment of persons as SMPs.
  - (e) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.
  - (f) The Committee shall recommend to the Board, a Policy relating to Remuneration for Directors, KMPs, and other SMPs. While formulating the remuneration policy the following shall be ensured:-
    - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,
    - (ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,
    - (iii) Remuneration to Directors, KMPs, and SMPs, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.

- (g) The Remuneration Policy and also the criteria for evaluation shall be disclosed in the Annual Report of the Company
- (h) The Committee shall lay the criteria for evaluation of Independent Directors. The performance evaluation of Independent Directors shall be done by the entire Board excluding the Directors being evaluated. On the basis of report of performance evaluation it shall be decided whether to extend or continue the term of his appointment.
- (i) The Committee shall devise the criteria and policy on Board Diversity.
- 5) Procedure to be followed in meetings of the Committee:**
- (i) The Company Secretary shall put up the agenda items which are required to be considered by the Committee in line with the requirements of the Act and this policy.
- (ii) All matters shall be decided by a majority of votes cast by the members present in the meeting. In case of equality of votes, the Chairman shall have the casting vote
- (iii) Head HR or a representative nominated by him shall be present at all meetings of the Committee to provide clarifications, if any, sought by the Committee.
- (iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.
- (v) Minutes of the proceedings shall be maintained in accordance with the Act.
- 6) Criteria for identification of Directors/KMPs/SMPs:**
- (a) For the post of a Director minimum graduate qualification is envisaged and the person shall be able to contribute positively to the deliberations at the Board Meetings. For the post of KMPs and SMPs, the HR department will lay down the minimum qualification and desired experience criteria for each post. Such criteria shall also meet with the requirements where ever laid down under various Acts.
- (b) The minimum age of appointment shall be at least 21 years for KMPs and SMPs and maximum age at the time of appointment would be 70 years. In exceptional cases persons beyond the age of 70 years can be hired. For Directors the minimum age would normally be 35 years and the maximum age shall not exceed 80 years. However in exceptional circumstances a person of the age of 21 years and above can be inducted as a Director if agreed to by the Board.
- (c) The criteria for determining independence of an Independent Director and disqualification of a Director would be in line with the provisions of in the Act.
- (d) The persons to be employed as KMPs/SMPs shall clear the Dalmia BEI (Behavioural Evaluation Interview)
- (e) The HR department would also keep in view the age profile of existing personnel and also the succession plan while identifying the suitable persons.
- (f) The Board would comprise of persons having diverse qualifications, experience and exposure in any area including but not limited to finance, human relations, marketing, , engineering, management, etc..
- (g) The Board shall comprise of one-third of its strength being independent Directors, where the Chairman of the Board/Company is a Non-Executive Chairman. However, where the Chairman is an Executive Chairman, atleast one half strength of the Board shall comprise of independent Directors. Vacancies in the Board caused due to death, resignation or otherwise shall be filled in within a period of six months. It shall be necessary to have one woman Director on the Board.
- 7) Criteria for Evaluation of performance of Directors/KMPs/SMPs:**
- A. For Directors:**
- For evaluation of performance of Directors and Independent Directors following criteria shall be taken into account:
- (a) his attendance at Board Meetings and committee meetings.
- (b) Preparedness and level of participation in Board Meetings
- (c) Expression of views in free, frank and in an independent manner
- (d) His participative discussions with management team when desired.
- For Executive Directors, namely, Managing Directors (MDs) and Whole-tome Directors (WTDs) - In addition to above the executive directors shall also be evaluated on:
- business performance as against laid out targets and business policies / plans.
  - Strategic contribution towards business sustenance and growth
- The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on the process of evaluation, etc, and the cost of such professional shall be borne by the Company.

**B. For KMPs/SMPs:**

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

**8) Policy on Remuneration:**

**(a) Directors (including MDs and WTDs):**

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

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

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

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

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

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

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

**9) General:**

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

## Annexure 4

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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

#### ***CORPORATE SOCIAL RESPONSIBILITY***

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

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

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

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

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

Presently, Dalmia Bharat Limited is working in 5 states viz. Tamil Nadu, Andhra Pradesh, Karnataka, Assam, Meghalaya and Uttar Pradesh in 103 villages and 7 districts.

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

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

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

Activities Undertaken:

- 10 Check dams constructed
- 95 farm ponds and 6 village pond developed
- 208 acres of land brought under drip irrigation
- 14 Vermicompost units constructed
- 1 Rubber Grower's Society & 1 Organic Producer's Society
- 3 Ringwells constructed
- 1.8 Lakh m<sup>3</sup> Water Harvesting Capacity added

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

Energy is another major concern in Indian Villages, with majority of the populations dependent on depleting fuel wood and erratic electricity supply. We are thus trying to promote more energy efficient and sustainable solutions in our community. We promote fuel-efficient chulhas, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems. These solutions also help in reduction of CO<sub>2</sub> emissions.

Activities Undertaken:

- 1402 fuel efficient cook stoves distributed
- 47 Biogas plants installed
- 3505 Solar lanterns and study lamps distributed
- 37 Solar street lights installed
- 1 solar grid installed

- 8 Solar powered E-shalas
- 1200 farmers under Sustainable Cotton Cultivation project
- 12,300 tons of CO<sub>2</sub> reduction

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

Unemployment amongst the youth in the neighbouring communities is high. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in areas like Para-military training, Driver Training, Computer Course, and many others. For women, the company has enabled formation of many SHGs and helped them get loans and also provided them trainings on many livelihood alternatives.

Activities Undertaken:

- 386 Milch animal loans facilitated
- 83 SHG trainings organized
- 4 Skill Development trainings
- 10 Fodder Chopper Cutter distributed
- 96 SHGs were formed
- 33 beneficiaries trained for Weaver's training
- 900 farmers made part of 6 Farmer Producer Organizations

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

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

Activities Undertaken:

- 30 School Sanitation Blocks constructed
- 2 Community Sanitation Blocks constructed
- 25 rural low cost toilets constructed
- 25 special medical camps conducted
- 58 general health checkup camps organized
- 808 nutritional kitchen gardens promoted
- 6 Polio and immunization drives
- 570 women covered under pre- natal and postnatal services
- 21 Veterinary camps organised
- 50 Functional Literacy programs organized
- 11 Anganwadi / schools were supported with TLM
- 20 Village infrastructure activities undertaken
- Series of social campaigns like World Water Day, World Health Day, HIV / AIDS day, International Women's day, Earth Hour etc. were observed at all locations.

2. **The Composition of the CSR Committee.**

Composition of the CSR Committee of Dalmia Bharat Limited is:

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

3. **Average Net Profit of the Company for last three financial years – ₹35.05 crore**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): 0.70 crore**

5. **Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year: ₹0.88 crore
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount spent during the financial year is detailed below: As per Annexure 4A

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

Not applicable.

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

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

Dated: 17-08-2016

Y.H. Dalmia  
Managing Director  
(DIN No. 00009800)

V.S. Jain  
Chairman of CSR Committee  
(DIN No. 00253196)

## Annexure 4A

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise ₹ in crore	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads ₹ in crore	Cumulative expenditure upto the reporting period ₹ in crore	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Check Dams, Drip Irrigation, Village Ponds, Farm Ponds, Ring Wells, Watershed, Irrigation Channels)	<b>Schedule VII/item No IV</b> Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon	0.38	0.38	0.38	Implementating agency - Dalmia Bharat Foundation
2	Education and Livelihood (Education in schools, ParaMilitary Training, Banana Leaf Training, Mushroom Cultivation, Computer Training, Drivers Training, Milch Animal Loans, Livestock Development, etc.)	<b>Schedule VII/item No II</b> Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon	0.18	0.18	0.18	
3	Women Empowerment (SHG formation & Training)	<b>Schedule VII/item No III</b> promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon				
4	Health and Sanitation (Health Camps, Low Cost Toilets, School toilet units, Awareness Programs on health issues)	<b>Schedule VII/item No I</b> Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon				
5	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	<b>Schedule VII/item No X</b> Rural development projects	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Nagaon and Dimahasao	0.32	0.32	0.32	
<b>Total</b>				<b>0.88</b>	<b>0.88</b>	<b>0.88</b>	

1. The above mentioned expenditures for the year 2015-16 is based out of un audited statement of expenses
2. Item no I & X mentioned in serial no 4 & 5 are covered under social development head of CSR.
3. The above mentioned expenditures for the FY 2015-16 includes proportionate administrative expenses incurred by Dalmia Bharat Foundation on such projects.

## Annexure 5

### Form No. AOC-2

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

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

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

None

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

	1	2	3
(a) Name(s) of the related party and nature of relationship	Dalmia Cement (Bharat) Limited Subsidiary Company	Dalmia Cement (Bharat) Limited Subsidiary Company	OCL India Limited Step down Subsidiary
(b) Nature of contracts/ arrangements/ transactions	Receipt of Brand fees	Receipt of corporate Service charges	Receipt of corporate Service charges
(c) Duration of the contracts / arrangements/ transactions	10 years effective 1-4-2010	10 years effective 1-4-2010	As per agreement in place valid upto 31st March 2018.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Fees in respect of "Dalmia" Brand licensed to the subsidiary for use in its cement products at ₹1/- per bag subject to a maximum of ₹1000 lakhs in first year as increased by 5% for each subsequent year. Value: ₹12.76 crore for the financial year.	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹84.44 crore for the financial year.	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹57.65 crore for the financial year.
(e) Date(s) of approval by the Board, if any:	15-11-2010 and 29-1-2015	15-11-2010 and 29-1-2015	29-1-2015 and 4-11-2015
(f) Amount paid as advances, if any:	NIL	NIL	NIL

Date: 17-08-2016

Place: New Delhi

**Jayesh Doshi**  
Whole-time Director  
& Group CFO  
(DIN No. 00017963)

**Y.H. Dalmia**  
Managing Director  
(DIN No. 00009800)

## Annexure 6

### CUMULATIVE DISCLOSURE

The particulars as on 31st March, 2016 as required to be disclosed pursuant to clause 12 of the SEBI (Employee Stock Option Scheme) Guidelines, 1999 in respect of past ESOS are as below:

Nature of disclosure	Particulars																																																									
Options granted	17,65,000 (includes options granted out of lapsed options)																																																									
The pricing formula	<p>First tranche of 10,75,000 Options granted on 18-5-2012: the highest closing market price on the Bombay Stock Exchange prior to the date of grant (at a discount of 20% on the price determined as 30 day average of the opening price prior to the date of grant).</p> <p>Second tranche of 2,40,000 Options granted on 29-1-2015: at a discount of 50% on the price determined on the basis of 30 days volume weighted average price, prior to date of grant.</p> <p>Third Tranche of 4,50,000 options granted on 3-2-2016: at a discount of 50% on the price determined on the basis of 30 days volume weighted average price, prior to date of grant.</p>																																																									
Options Vested	1,04,000																																																									
Options exercised	1,04,000																																																									
The total number of shares arising as a result of exercise of options	1,04,000 equity shares of Rs. 2/- each (One stock option equals to one Equity Share of the Company.)																																																									
Options lapsed / surrendered	6,02,000 out of first tranche																																																									
Variations of terms of option	The terms of options granted on 18-5-2012, 29-1-2015 and 3-2-2016 with regard to the vesting schedule, exercise price and the vesting criteria were varied as the second grant was made after three years of 1st grant and there was a gap of one year between the second and the third grant and during these periods the market value of shares of the Company increased.																																																									
Money realised by exercise of options	As on 31-3-2016, 1,04,000 options have been exercised and Rs. 1,09,72,000 has been realised from the said options.																																																									
Total number of options in force	10,59,000																																																									
Details of option granted/ exercised by the Senior Managerial Personnel	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of employee</th> <th style="text-align: center;">No. of options granted (Net of Lapsed)</th> <th style="text-align: center;">No. of options exercised</th> </tr> </thead> <tbody> <tr><td>B B Mehta</td><td style="text-align: center;">48,000</td><td style="text-align: center;">12,000</td></tr> <tr><td>Sanjay Mittra</td><td style="text-align: center;">48,000</td><td style="text-align: center;">-</td></tr> <tr><td>Harish Chander Sehgal</td><td style="text-align: center;">48,000</td><td style="text-align: center;">12,000</td></tr> <tr><td>Ram Kumar Yadav</td><td style="text-align: center;">18,000</td><td style="text-align: center;">-</td></tr> <tr><td>Puneet Arora</td><td style="text-align: center;">21,000</td><td style="text-align: center;">3,000</td></tr> <tr><td>Pankaj Rastogi</td><td style="text-align: center;">24,000</td><td style="text-align: center;">6,000</td></tr> <tr><td>T Venkatesan</td><td style="text-align: center;">56,000</td><td style="text-align: center;">14,000</td></tr> <tr><td>C.N. Maheshwari</td><td style="text-align: center;">24,000</td><td style="text-align: center;">6,000</td></tr> <tr><td>Ajit Menon</td><td style="text-align: center;">75,000</td><td style="text-align: center;">-</td></tr> <tr><td>M.C. Kini</td><td style="text-align: center;">48,000</td><td style="text-align: center;">12,000</td></tr> <tr><td>Jayesh Doshi</td><td style="text-align: center;">75,000</td><td style="text-align: center;">-</td></tr> <tr><td>R.A. Krishnakumar</td><td style="text-align: center;">36,000</td><td style="text-align: center;">9,000</td></tr> <tr><td>B.K. Singh</td><td style="text-align: center;">48,000</td><td style="text-align: center;">12,000</td></tr> <tr><td>Vinit Thakur</td><td style="text-align: center;">9,000</td><td style="text-align: center;">9,000</td></tr> <tr><td>M.C. Gautam</td><td style="text-align: center;">9,000</td><td style="text-align: center;">9,000</td></tr> <tr><td>Mahendra Singhi</td><td style="text-align: center;">5,20,000</td><td style="text-align: center;">-</td></tr> <tr><td>R.K. Agrawal</td><td style="text-align: center;">20,000</td><td style="text-align: center;">-</td></tr> <tr><td>Amandeep</td><td style="text-align: center;">36,000</td><td style="text-align: center;">-</td></tr> </tbody> </table>	Name of employee	No. of options granted (Net of Lapsed)	No. of options exercised	B B Mehta	48,000	12,000	Sanjay Mittra	48,000	-	Harish Chander Sehgal	48,000	12,000	Ram Kumar Yadav	18,000	-	Puneet Arora	21,000	3,000	Pankaj Rastogi	24,000	6,000	T Venkatesan	56,000	14,000	C.N. Maheshwari	24,000	6,000	Ajit Menon	75,000	-	M.C. Kini	48,000	12,000	Jayesh Doshi	75,000	-	R.A. Krishnakumar	36,000	9,000	B.K. Singh	48,000	12,000	Vinit Thakur	9,000	9,000	M.C. Gautam	9,000	9,000	Mahendra Singhi	5,20,000	-	R.K. Agrawal	20,000	-	Amandeep	36,000	-
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Any other employee who received a grant in any one year of 5% or more of options granted during the year	Nil																																																									
Employee who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil																																																									
Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard AS-20	₹7.98 per share																																																									
Weighted average exercise price of options in ₹	₹191.58																																																									
Weighted average fair value of options in ₹	₹313.23																																																									



## Annexure 7

### FORM NO. MR 3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2016

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

To  
The Members,  
Dalmia Bharat Limited.

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

Based on my verification of the Dalmia Bharat Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed here under and also that the Company has proper Board – processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Dalmia Bharat Limited ("The Company") for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (The Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and the External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (vi) And other applicable laws like Factories Act, 1948, Employees State Insurance Act, 1948, Minimum Wages Act, 1948, The Payment of Gratuity Act, 1972, Workmen Compensation Act, 1923 etc.

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

- (1) Secretarial Standards issued by the Institute of Company Secretaries of India which has become mandatory during this year.
- (2) The Listing Agreement entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

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

**I further report that:**

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

Adequate Notice is given to all Directors to schedule the Board meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were passed unanimously.

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

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

1. Made preferential allotment of 75,00,000 shares to KKR Mauritius Cement Investments Limited.
2. Added Clause 40A to the Articles of Association.
3. Issued Equity shares under the Scheme ESOP – 2011 – 65000 equity shares allotted during November 2015 and further allotment of 39000 equity shares in February 2016.
4. Recommended Reappointment of Mr.J.H Dalmia and Mr.Y.H Dalmia as Managing Directors and awaiting shareholder's approval
5. Received the Confirmation of Shareholders for the Appointment of Ms. Sudha Pillai as Director under Sec 160 of the Act.
6. Received the Confirmation of Shareholders for the Appointment of Mr. Jayesh Doshi as Group CFO and WTD.
7. Declared Interim Dividend of Rs. 2/- per share (100%) and distributed the same in March, 2016.

Place: New Delhi  
Date: 18.05.2016

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

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## ANNEXURE – A

To  
The Members  
Dalmia Bharat Limited.

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

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

Place: New Delhi  
Date: 18.05.2016

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

## ANNEXURE 8

### PARTICULARS WITH RESPECT TO FOREIGN EXCHANGE OUTGO AND EARNINGS

#### A. 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) The Company has not undertaken any exports during the year under review.
- (b) Total foreign exchange used and earned during the year:
  - (i) Used: ₹0.30 crore    (ii) Earned: ₹ Nil crore

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Dalmia Bharat.  
Committed towards clean energy.

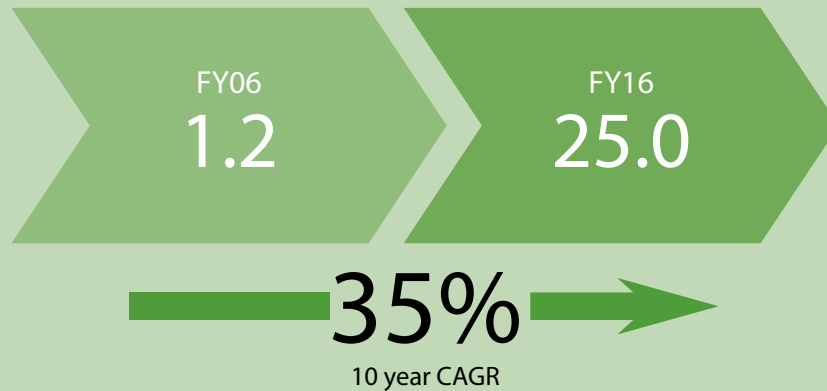




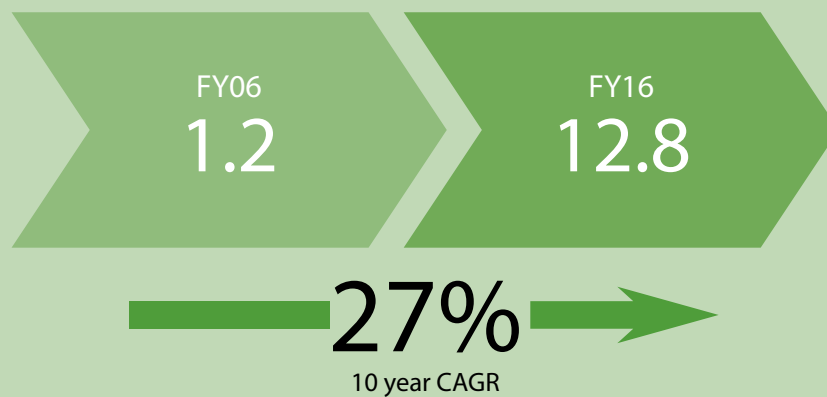
5.5 MW Solar power plant at Medinipur, West Bengal

## Dalmia's 10-year journey

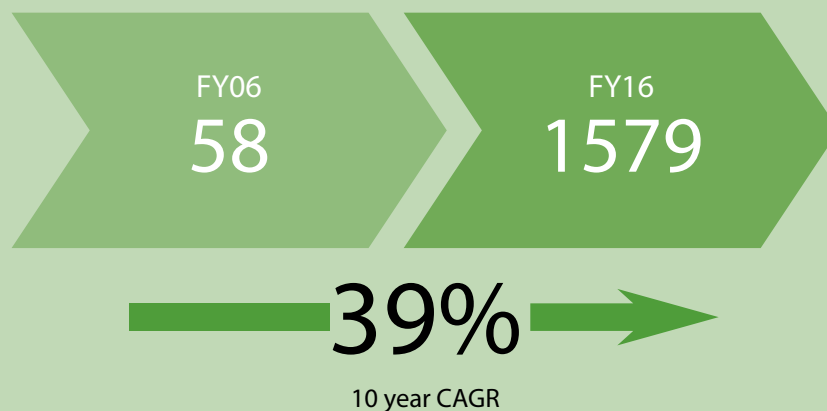
Cement capacity growth (MnT)



Cement volume (MnT)



EBITDA (₹ Cr.)



# Corporate information

## Board of Directors

Pradip Kumar Khaitan – *Chairman*  
Jai Hari Dalmia – *Managing Director*  
Yadu Hari Dalmia – *Managing Director*  
Gautam Dalmia  
Puneet Yadu Dalmia  
N. Gopalaswamy  
Virendra Singh Jain  
Sudha Pillai  
Jayesh Doshi – *Whole Time Director & Group Chief Financial Officer*

## Management Team

Jai Hari Dalmia  
Yadu Hari Dalmia  
Gautam Dalmia  
Puneet Yadu Dalmia  
Mahendra Singhi  
T. Venkatesan  
Jayesh Doshi

## Company Secretary

Nidhi Bisaria

## Auditors

S.S. Kothari Metha & Co.

## Bankers

State Bank of India  
Axis Bank  
Yes Bank  
Punjab National Bank  
Corporation Bank  
Oriental Bank of Commerce  
RBL Bank LTD  
Indian Bank  
Canara Bank  
Bank of Maharashtra  
Export Import Bank of India  
Landesbank, Germany

## Registered Office

Dalmia Bharat Limited  
Dalmiapuram - 621651  
District: Tiruchirapalli  
Tamil Nadu

## Corporate Office

Hansalaya Building,  
11th & 12th floors  
15, Barakhamba Road  
New Delhi – 110001

## Registrar and Share Transfer Agent

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

**Note:** Dalmia Cement (Bharat) Limited (DCBL), a subsidiary of Dalmia Bharat Limited increased its stake in OCL India Limited (OCL) from 48% to 74.6% on 25 February 2015. As a result, OCL became a step-down subsidiary of DBL and its results were consolidated on a line -to-line-basis in the consolidated financial statements of DBL from the said date. To enhance comparability of the operating results and facilitate a better presentation, we aggregated the financials of OCL India Limited in the non-statutory sections (until the MDA) for the previous years (FY14 and FY15).

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### Disclaimer and cautionary statement

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

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

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# Striving to set new benchmarks to minimise our carbon footprint

FY 2015-16



Dalmia Bharat Eastern Operations



Dalmia Bharat Group Average



Indian Average



Global Average



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Website: [www.dalmiabharat.com](http://www.dalmiabharat.com)

Our Annual Report is the colour we want to see more on this planet..... GREEN!

