



| Annual Report |  
2013-14

**DALMIA REFRACTORIES LIMITED**  
(formerly Shri Nataraj Ceramic and Chemical Industries Limited)

**HEAD OFFICE**

4-Scindia House,  
Connaught Place,  
New Delhi-110 001

**REGISTERED OFFICE**

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

**DIRECTORS**

Shri. Deepak Thombre  
Shri. N. Gopaldaswamy  
Shri. C. Nagaratnam  
Shri. P.D. Mathur  
Shri. M.K. Doogar

**BANKERS**

AXIS Bank Limited

**WORKS**

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

Khambalia-361 305  
Dist. Devbhumi Dwarka, Gujarat.

Plot No.8 & 13,  
Phase-III, Lamtara Industrial Area,  
Katni-483 501  
Madhya Pradesh

**AUDITORS**

S.S. Kothari Mehta & Co.  
Chartered Accountants

## DIRECTORS' REPORT

Your Directors hereby present the Forty first Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March, 2014. With the specified provisions of the Companies Act, 2013 coming into force with effect from 1<sup>st</sup> April 2014 the Board's Report has been prepared in accordance with the applicable provisions of the Companies Act, 1956 as per the clarification given in the General Circular No.8/2014 dated 4<sup>th</sup> April 2014 issued by Ministry of Corporate Affairs.

### Financial Results

	<b>2013-14</b>		2012-13
	<b>(Rs.in lacs)</b>		<b>(Rs.in lacs)</b>
<b>GROSS REVENUE</b>	<b>10828</b>		11227
<b>Profit before Interest, Depreciation and Tax (EBITDA)</b>	<b>636</b>		825
Interest	<b>220</b>		329
Depreciation	<b>234</b>	<b>454</b>	<u>276</u>
<b>Profit before Tax (PBT)</b>	<b>182</b>		<u>220</u>
Provision for Current tax	<b>67</b>		100
Provision for deferred tax	<b>(7)</b>	<b>60</b>	<u>(27)</u>
<b>Profit after tax (PAT)</b>	<b>122</b>		147
Tax adjustment of earlier year	<b>-</b>		(3)
Add: Surplus brought forward from last year	<b>3968</b>		<u>3883</u>
<b>Profit available for appropriation</b>	<b>4090</b>		4033
<b>Appropriations :</b>			
General Reserve	<b>10</b>	10	
Dividend	<b>32</b>	47	
Dividend Distribution tax	<b>5</b>	<u>8</u>	<u>65</u>
<b>Balance Carried Forward</b>	<b>4043</b>		<u>3968</u>

### DIVIDEND

Your Directors are pleased to recommend a final dividend of Re.1/- per equity share of face value of Rs.10/- each for the year ended 31<sup>st</sup> March, 2014, for approval by the shareholders at the forthcoming Annual General Meeting.

### CHANGE IN NAME OF THE COMPANY

As approved by you in the Extra-ordinary General Meeting held on 26<sup>th</sup> March 2014, the name of the Company has been changed from Shri Nataraj Ceramic and Chemical Industries Limited to Dalmia refractories Limited to reflect the group and the brand 'Dalmia Refractories' under which the refractory products of the Company are being manufactured and marketed. The Company has obtained a Fresh Certificate of Incorporation consequent upon the change in name dated 28<sup>th</sup> March, 2014 issued by the Registrar of Companies, Tamil Nadu.

### OPERATIONS AND FUTURE OUTLOOK

The performance of the Company has been adversely affected due to continued slowdown in the economy resulting in the overall reduction in the demand for its products. Due to severe competition, the margins remained under pressure.

Details about the performance as also the future outlook have been given under the head Functional Highlights and Management Discussion and Analysis in the annexed report on the Corporate Governance.

### Dalmiapuram Works

The production of refractories at this unit was carried out as per orders received from Dalmia Refractories (a division of Dalmia Bharat Limited) pursuant to the job work arrangement between the Company and Dalmia Bharat Limited which has expired on 31<sup>st</sup> March, 2014. Effective 1<sup>st</sup> April, 2014, the marketing of the products for this unit is also being carried out by your Company.

## DALMIA REFRACTORIES LIMITED

During the year under report, **41228 MT** (Previous year 42846 MT) of refractories was manufactured at Dalmiapuram Works.

The details of refractories produced and dispatched by other units of the Company are given as under:-

### **Khambalia Works**

		<u>FY 14</u>	<u>FY 13</u>
Production	(MT)	<b>25705</b>	29114
Despatches	(MT)	<b>23274</b>	28964

### **Katni Unit**

		<u>FY 14</u>	<u>FY 13</u>
Production	(MT)	<b>5760</b>	5152
Despatches	(MT)	<b>5923</b>	5293

## **INDUSTRIAL RELATIONS**

Industrial relations at all the units of the Company remained cordial during the year under review. The Directors wish to convey their sincere appreciation for the cooperation and support provided by the employees of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby area, where the Company's plants are located.

## **LISTING OF SECURITIES**

The Securities of the Company are listed at the Stock Exchanges as stated below and the annual listing fees has been paid to each of the Exchanges :-

1. The Madras Stock Exchange Limited (MSE)
2. The Delhi Stock Exchange Limited (DSE)
3. The Calcutta Stock Exchange Limited (CSE)

As per the agreement between MSE and National Stock Exchange (NSE) the equity shares of the Company are being traded on NSE trading platform.

## **CORPORATE GOVERNANCE**

Corporate Governance practices as required under Clause 49 of the listing agreement of the Stock Exchanges are detailed in a separate chapter in this document. The Auditors Certificate on the compliance of Corporate Governance Code is attached as annexure and forms part of this report.

## **DEPOSITS**

The Company has not taken any deposits from public, during the year. As on 31<sup>st</sup> March, 2014 there is no amount of deposits and interest thereon which remain due for payment or unclaimed by depositors.

## **DIRECTORS**

Shri Deepak Thombre, Director retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Shri N. Gopaldaswamy, Shri M.K. Doogar and Shri P.D. Mathur, Independent Directors of the Company were appointed Directors liable to retire by rotation under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, the said Independent Directors have given their declaration of independence and being eligible be consider for re-appointment by the Shareholders at the ensuing Annual General Meeting for a term upto five consecutive years. The Company has received requisite notice in writing from a member proposing the candidature of Shri N. Gopaldaswamy, Shri M.K. Doogar and Shri P.D. Mathur for appointment as Independent Directors.

### **COMPLIANCE CERTIFICATE**

Pursuant to provisions of Section 383A of the Companies Act, 1956 read with the rules made thereunder, a Certificate from Company Secretary in whole time practice is attached to this report.

### **AUDITORS**

M/s S.S. Kothari Mehta & Co., Chartered Accountants, the Auditors of the Company retires at the Conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. As required under the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, the Company has obtained a certificate from them to the effect that their re-appointment, if made, would be in conformity with the prescribed conditions and criteria laid under the said Act.

### **COST AUDITORS**

M/s. HMVN & Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to conduct the Cost Audit of the cost accounting records of specified products for the year ended 31st March, 2014. The said firm has been appointed as Cost Auditors for the financial year 2014-15 and in accordance with the Companies Act 2013 their remuneration be ratified at the forthcoming Annual General Meeting.

### **CEO/CFO REPORT ON ACCOUNT**

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

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The particulars as prescribed under sub-section(e) of Section 217 of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure-A which forms part of the Directors' Report.

### **PARTICULARS OF EMPLOYEES**

Particulars of employees as required to be furnished under section 217(2A) of the Companies Act, 1956, read with the Rules made thereunder are NIL as there is no employee who is in receipt of remuneration in excess of the limits prescribed under said Section.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

### **ACKNOWLEDGEMENT**

The Directors also take this opportunity to place on record their sincere thanks and appreciation to the Bankers, Employees and various State and Central Government agencies for their co-operation and continued support to the Company.

**For and on behalf of Board**

Place: New Delhi  
New Delhi, May 29, 2014

Deepak Thombre  
**DIRECTOR**  
(DIN:02421599)

P.D. Mathur  
**DIRECTOR**  
(DIN:00266758)

DALMIA REFRACTORIES LIMITED

**ANNEXURE TO DIRECTORS' REPORT**

Disclosure of particulars with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Companies (Disclosure of Particulars in the Board of Directors' Report) Rules, 1988.

**CONSERVATION OF ENERGY**

(a) Energy Conservation Measures taken :-

- (i) Restrict and control the demand by staggering the load.
- (ii) Arresting Air leakage and replace the higher capacity compressor with the lower capacity compressor.
- (iii) Maximum use of natural light to reduce the power consumption on lighting.

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

- (i) Replacement of T8 lamps with T5 lamps.
- (ii) Installation of Day light sensors.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :-

Reduction in specific consumption of energy resulting in reasonable savings.

(d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the schedule thereto.

**FORM A**

(Form for disclosures of particulars with respect to conservation of energy)

**A. POWER & FUEL CONSUMPTION**

	<u>Unit</u>	<u>Current Year</u>	<u>Previous Year</u>
<b>1. ELECTRICITY</b>			
a) Purchased			
Units	(In lacs)	<b>43.47</b>	39.27
Total Amount	(Rs.in lacs)	<b>323.25</b>	302.35
Rate/Unit	(Rs./Unit)	<b>7.44</b>	7.70
b) Own Generation			
i) Through Diesel Generator			
Units	(In lacs)	<b>6.59</b>	15.47
Unit per Ltr.	(Unit/Ltr.)	<b>3.39</b>	3.45
Rate/Unit	(Rs./Unit)	<b>17.55</b>	13.37
Total Amount	(Rs.in lacs)	<b>115.65</b>	206.72
ii) Through Steam Turbine/Generator		<b>NIL</b>	NIL
<b>2. COAL (Steam Coal, Leco, RB Chips, Petroleum coke)</b>			
Quantity	(MT)	<b>5499</b>	5250
Total Cost	(Rs.in lacs)	<b>490</b>	483.40
Average Rate	(Rs./MT)	<b>8917</b>	9,208
<b>3. LDO</b>			
Quantity	(KL)	<b>43</b>	15
Total Amount	(Rs.in lacs)	<b>18.79</b>	6.57
Average Rate	(Rs./KL)	<b>43493</b>	43,829
<b>4. FURNACE OIL</b>			
Quantity	(KL)	<b>1.97</b>	3.89
Total Amount	(Rs.in lacs)	<b>1.04</b>	2.07
Average Rate	(Rs./KL)	<b>52,861</b>	53,178



## B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTS	Standards (If any)	REFRACTORY		CALCINED BAUXITE	
		Current Year	Previous Year	Current Year	Previous Year
Electricity (Unit/MT)	—	66	67	27	25
Coal/Pet Coke (Kgs/MT)	—	112	95	261	237
LDO (Ltrs/MT)	—	-	1.38	5.73	1.67
Furnace Oil (Ltrs/MT)	—	0.34	0.76	—	—

### FORM B

(Form of Disclosure of Particulars with respect to Technology Absorption)

#### RESEARCH AND DEVELOPMENT (R & D)

##### 1. Specific areas in which R & D is carried out by the Company.

- Developed Dalsupreme for Cement Industry.
- Dalphoscast 90 developed for power plants usage.
- Development of castable for high abrasion resistance for cement plants.
- Developed high alumina binder.

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

- Entry into new segments.
- Better contributions.

##### 3. Future plan of action.

- Development of Ramming mass for steel industry.
- Development of Dal Supreme, an alternative material to basic bricks.
- Development of gunning materials.
- Develop insulating castable range.

##### 4. Expenditure on R & D.

S.No.	Particulars	Rs. (in lacs)
a.	Capital	3.40
b.	Recurring and Others	29.59
c.	Total	32.99
d.	Total R & D expenditure as a percentage of total turnover	0.30

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts made in technology absorption are as per Form B of the Annexure.

##### Benefits derived as a result of the above :-

Continuous value addition to the products resulting in wider customer base and satisfaction.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of foreign exchange earned/utilised are given in note 29 to the Accounts.

## Report on Corporate Governance

### Company's Philosophy on Corporate Governance

Dalmia Refractories Limited (formerly known as Shri Nataraj Ceramic and Chemical Industries Ltd.) believes in adopting the best practices of Corporate Governance and stands committed to good corporate governance. The spirit of Corporate Governance is shaped by the values of transparency, professionalism, accountability and high levels of integrity in decision making. We have identified four core values of Learning, Teamwork, Speed and Excellence which are being institutionalized in our organization. Our policies are constantly reviewed and are improved keeping in mind our goal of maximization of values to all the stakeholders. The stipulations of Corporate Governance as mandated by Clause 49 of the listing agreement which became applicable to your Company in June 2008 are being fully complied with.

This chapter, inclusive of Management Discussion and Analysis and Additional Shareholders Information, reports Dalmia Refractories Limited's (DRL's) compliance with the Clause 49.

### I. Board of Directors

#### Composition of the Board

As on 31<sup>st</sup> March 2014, the Company's Board comprised of five members - All five Non-Executive Directors of which three are Independent Directors. The Chairman of the Board of Directors is decided in the meeting itself. The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates that if the Chairman is Non-Executive, and is not related to the promoters or persons occupying management positions at the Board level or at one level below the Board, one-third of the Board should be independent, or else, half of the Board should consist of independent directors.

#### Number of Board Meetings

The Board of Directors met four times during the year on 27<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 29<sup>th</sup> October, 2013 and 14<sup>th</sup> February, 2014. The maximum gap between any two meetings was less than 4 months.

#### Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level Committees or Chairman of more than five Committees in which they are members. Details of the composition of the Board and attendance are given below:

#### 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				
Shri N. Gopaldaswamy	Independent	4	4	Yes	8	5	3
Shri Deepak Thombre	Non-Executive	4	3	No	None	2	None
Shri C. Nagaratnam	Non-Executive	4	4	Yes	1	None	None
Shri P.D. Mathur	Independent	4	4	No	None	2	None
Shri M.K. Doogar	Independent	4	3	No	8	8	4

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

# As required under Clause 49 of the Listing Agreement, the membership/chairmanship of Audit Committee and Shareholders Grievance Committee of Indian public companies (listed and unlisted) have been considered including chairmanship/ membership of the committees 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 Board are circulated well in advance. Adequate information including any important development connected with the business of our Company as required under Annexure IA to Clause 49 is circulated as part of agenda papers and also placed at the meeting to enable the Board to take informed decision.

### Remuneration Paid To Directors

The Non-Executive and Independent Directors, apart from the sitting fees, are paid a commission at the rate of 1% of each year's net profit of the Company calculated in accordance with the provisions of the Company's Act, subject to the maximum of Rs.3 lacs in aggregate, as approved by the shareholders in their general meeting. As on 31<sup>st</sup> March, 2014 there is no separate remuneration committee. The details of remuneration paid, during the year, to the Directors are given below:-

#### Details of remuneration paid to Directors for 2013-14

(Rs.in lacs)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission
Shri N. Gopaldaswamy	Independent	0.40	-	-	0.41
Shri Deepak Thombre	Non-Executive	0.30	-	-	0.41
Shri C. Nagaratnam	Non-Executive	0.20	-	-	0.41
Shri P.D. Mathur	Independent	0.40	-	-	0.41
Shri M.K. Doogar	Independent	0.23	-	-	0.41

### Code of Conduct

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

### Risk Management

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

### II. Committees of the Board

As on 31<sup>st</sup> March, 2014, The Company has three Board level Committees - Audit Committee, Investors' Grievance Committee and Rights Issue Committee.

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

DALMIA REFRACTORIES LIMITED

**a) Audit Committee**

As on 31<sup>st</sup> March 2014, the Audit Committee comprises of four members - three Independent Directors and one Non-Executive Director. All Members of the Audit Committee have requisite accounting and financial management expertise.

Shri N. Gopalaswamy, Chairman of the Audit Committee was present at the Annual General Meeting held on 13<sup>th</sup> August, 2013.

The officer responsible for the finance function, head of internal audit and the representative of the statutory auditors, internal auditors are regularly invited by the Audit Committee to its meetings. Ms. Shweta Chadha, Secretary, acts as the Secretary to the Committee.

The Audit Committee met four times during the year on same dates as Board Meetings. The time gap between any two meetings was less than four months. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:-

**Attendance Record of DRL's Audit Committee during 2013-14**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri N. Gopalaswamy	Independent	Chairman	4	4
Shri P.D. Mathur	Independent	Member	4	4
Shri Deepak Thombre	Non-Executive	Member	4	3
Shri M.K. Doogar	Independent	Member	4	3

Pursuant to Clause 49 of the Listing Agreement, the Audit Committee of the Board deals with matters relating to financial reporting, results of operations, significant related party transactions, internal audit reports relating to internal control weaknesses, uses/applications of funds etc. The unaudited/audited quarterly financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each Audit Committee meeting are placed before the Board for noting.

**b) Investors' Grievance Committee**

As on 31<sup>st</sup> March 2014, the Committee comprises of three members - two Independent Directors and one Non-Executive Director. Ms. Shweta Chadha, Secretary, acts as the Secretary to the Committee. The Chairman of the Committee is elected amongst the Independent Directors present at the meeting.

The Investors' Grievance Committee met four times during the year on the same dates as Board meetings. The composition of Investors' Grievance Committee and details of meetings attended by the Directors are given below:--

**Attendance Record of DRL's Investors' Grievance Committee during 2013-14**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri N. Gopalaswamy	Independent	Member	4	4
Shri P.D. Mathur	Independent	Member	4	4
Shri Deepak Thombre	Non-Executive	Member	4	3

The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrar and Share Transfer Agent. though the powers of approving the transfer of shares/debentures has been delegated to senior executives of the Company, the Committee periodically places on record the memorandum of securities transfers and transmission received from the Share Transfer Agent and approves the issue of new certificates in lieu of consolidation, split etc.

During the year complaints received from investors were resolved in time to the satisfaction of the concerned investors. At the close of the year there were no cases pending in respect of share transfers. Details regarding the same are given below:-

**Nature of complaints received and attended to during 2013-2014**

Nature of Complaint	Pending as on 1 <sup>st</sup> April 2013	Received during the year	Answered during the year	Pending as on 31 <sup>st</sup> March 2014
1. Transfer/Transmission/Duplicate/Deletion of Name	Nil	1	1	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	52	52	Nil
3. Non-receipt of securities/electronic credits	Nil	7	7	Nil
4. Complaints received from:				
- Securities and Exchange Board of India	Nil	2	2	Nil
- Stock Exchanges	Nil	Nil	Nil	Nil
- Registrar of Companies, Department of Company Affairs	Nil	Nil	Nil	Nil
5. Others	Nil	3	3	Nil
Total	Nil	65	65	Nil

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

Ms. Shweta Chadha, Secretary.

**c) Rights Issue Committee**

As on 31<sup>st</sup> March 2014, the Committee comprises of two members - Shri P.D. Mathur (Independent Director) and Shri Deepak Thombre (Non-Executive Director). Ms. Shweta Chadha, Secretary, acts as the Secretary to the Committee. The Committee met once during the year.

The terms of reference to this Committee has been to look into the appointment of various agencies as required in relation to the rights issue of NCDs alongwith detachable warrants of the Company and to carry out deeds and things as are necessary in relation to it.

**Subsidiary Companies**

During the year, the Company did not have any subsidiary.

**III. Financial Highlights and Management Discussion & Analysis**

**Financial Highlights**

(Rs. in lacs)

	F. Y. 2014	F. Y. 2013	Growth %
Sales/Processing charges	10828	11227	(3.55)
Net Sales	10162	10412	(2.40)
PBT	182	220	(17.27)
PAT	122	147	(17.00)

The Gross Sales & PBT of the Company registered a decrease of 3.55% and 17.27% respectively over the previous year for the corresponding period.

## DALMIA REFRACTORIES LIMITED

### **Management Discussion and Analysis**

The refractory industry in India is having installed capacity of about 2 MnT and is presently operating at only 60% capacity.

Steel & Cement Sectors are the major consuming segment with about 70% & 12% of total refractory demand. With general slowdown in infrastructure projects, the demand for refractories has been sluggish.

While the industry is fragmented with over 100 players across the country, of late, strong competition is also being faced from global players who have acquired controlling stake in four of the top five refractory players in India and are looking for increasing their share.

Your Company is in the manufacture of Alumina based products and mainly cater to the Cement Industries. Due to the slowdown in the Indian economy, the cement sector, our major customer constituent, witnessed excess supply, outstripping demand, which in turn affected demand for our products. The sales volume as well as the margins have come under heavy pressure due to considerable supply demand mismatch.

In the medium to long term, the demand is likely to improve once the capacity expansion plans by the major cement manufacturers are again put in place. With the new government, it is anticipated that the general sentiment will also improve with the new policy initiatives likely to be announced to uplift the economy. If margin pressures are eased off and consumer confidence revives, better performance can be expected in future.

The Company in the meantime is focusing on building internal efficiencies to cut down costs wherever possible.

### **Opportunities**

Your company is an established and reputed supplier for alumina based refractories for cement plants. It is looking for increasing its share in other markets including power, refineries, aluminum etc. while maintaining its leadership position in the Cement Industry for alumina based refractories.

### **Risks & Concerns**

The refractory industry in India, particularly, in Alumina based products, our segment, is highly fragmented which results in strong competitive pressures. The specific consumption of refractory is getting reduced with the improved technology and higher life.

Rupee depreciation has increased our cost of imported bauxite one of our major raw material. We are not able to pass on the increased cost of input due to severe competition.

Thus, reduction of refractory consumption with improved technology in the user industry, entry of global players in Indian market, increased import costs coupled with excess capacity as available in the Country is likely to continue to put pressure on profit margins of the Company.

Your Company is continuously taking steps through in-house R & D to reduce costs by looking for cheaper alternate materials.

### **Human Resources**

Industrial relation continued to be cordial through the year under review.

### **Internal Control System**

The Company has an internal audit system commensurate with the size of the Company which covers desired level of audit of various spheres of activities of the Company to ensure that the laid down system and procedure are adequate and followed. The audit reports are presented to the Audit Committee of the Board which meets at periodical intervals.

### **IV. Disclosures**

Related party transactions in the ordinary course of business have been disclosed in Notes to Accounts No.1.12 in the Annual Report. No transactions were made that had the possibility of injuring the Company's interests. The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it.

There was no amount due to be credited to the Investor Education & Protection fund as per the applicable provisions of the Companies Act.

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

In the preparation of financial statements the company has followed the guidelines of Accounting Standards referred under the provisions of Section 211(3) of the Companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> Septemebr 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

### Details of Non-Compliance by the Company

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

### 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.

### V. CEO/CFO certification

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

### Reappointment/Appointment of Directors

Pursuant to the Articles of Association of DRL, 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. Accordingly, Shri Deepak Thombre, Director retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

In terms of provisions of the Companies Act, 2013, Shri N. Gopaldaswamy, Shri M.K. Doogar and Shri P.D. Mathur being Independent Directors of the Company are proposed to be re-appointed as Independent Directors for a term upto five consecutive years. Accordingly, Shri N. Gopaldaswamy, Shri M.K. Doogar and Shri P.D. Mathur are eligible for re-appointment as Independent Directors for a term upto five consecutive years.

Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/re-appointment at Annual General Meeting are furnished and forms a part of the Notice.

### 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 the stipulated period from the close of every quarter and such results are published in one English daily newspaper having nationwide circulation and one daily newspaper in regional language, where the registered office of the Company is situated, in accordance with the Listing Agreement. The Company also publishes its annual audited results in these newspapers within the stipulated period. All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time.

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

Details of the shares held by the Non-Executive Directors as on 31<sup>st</sup> March, 2014 are given below:-

#### Details of the shares held by the Non-Executive Directors

Name of the Director	Category	Number of shares held	No. of Convertible Instruments held
Shri P.D. Mathur	Independent	Nil	Nil
Shri N. Gopaldaswamy	Independent	18	Nil
Shri C. Nagaratnam	Non-executive	138	Nil
Shri M.K. Doogar	Independent	Nil	Nil
Shri Deepak Thombre	Non-executive	Nil	Nil

### VI. General Body Meetings

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

#### Details of last three AGMs

Financial year	Date of AGM	Time	Location
2012-2013	13.08.2013	10.30 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2011-2012	06.09.2012	10.30 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2010-2011	24.08.2011	10.30 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu

## DALMIA REFRACTORIES LIMITED

Extra-ordinary General Meeting of shareholders of the Company was held on 26<sup>th</sup> March, 2014. A special resolution to change the name of the Company from 'Shri Nataraj Ceramic and Chemical Industries Limited' to 'Dalmia Refractories Limited' was passed thereat.

### Special resolutions passed during the last three AGMs

Date of AGM	Particulars
13.08.2013	None
06.09.2012	1. Re-Appointment of Shri Deepak Ambadas Thombre as a Managing Director
24.08.2011	1. Revision of remuneration of Shri C. Nagaratnam pursuant to section 198, 309, 310, 311 and schedule XIII of Companies Act, 1956 with retrospective effect from 1 <sup>st</sup> April, 2010 for remaining period of his tenure as Whole time Director. 2. Appointment of Shri M.K. Doogar as Director, who was appointed as Additional Director w.e.f. 29 <sup>th</sup> September, 2010. 3. To sanction payment of additional amount to Whole Time Director in addition to normal terminal benefits as per his agreement.

### Postal Ballot

During the year ended 31<sup>st</sup> March 2014, the shareholders have not been approached for passing any Resolution by Postal Ballot.

### VII. Mandatory Requirements

DRL has complied with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement.

### VIII. Additional Shareholders Information

#### Annual General Meeting

Date : 12<sup>th</sup> August, 2014

Time : 11.00 A.M.

Venue : Dalmiapuram, P.O Kallakudi -621651,  
Distt. Tiruchirapalli, Tamil Nadu.

#### Financial Calendar

Financial Year : 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

For the year ended 31<sup>st</sup> March, 2015, results will be announced :

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

#### Book Closure

The dates of book closure are from 8<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2014 inclusive of both days.

#### Dividend Payment

Your Directors have recommended a final dividend of Re.1/- per equity share of face value of Rs.10/- each for the financial year 2013-14. The dividend will be paid after the approval of shareholders at the Annual General Meeting.

Corporate Identification Number (CIN): L24297TN1973PLC006372

#### Listing

Listing on Stock Exchanges in respect of the Securities of the Company is as under:

- a) The Delhi Stock Exchange Limited  
DSE House, 3/1, Asaf Ali Road, New Delhi-110 002.
- b) Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata-700 001.
- c) The Madras Stock Exchange Limited  
"Exchange Building", P.B.No.183,  
No.30, Second Line Beach, Chennai-600 001.

### Stock Code

National Stock Exchange - DALMIAREF

Effective 30<sup>th</sup> December 2011, the equity shares of the Company are being traded at National Stock Exchange Ltd. as per the agreement with Madras Stock Exchange Ltd.

### Stock Market Data

Following table gives details of the Equity Shares at NSE for 2013-14.

### Market Price Data

The equity shares of the Company are being thinly traded. High, Lows of Company's shares based and the closing prices during each month of the last financial year in which the share were traded are given below.

### High Low Price For 2013-14

(In Rs.)

Month	NSE		
	High	Low	Close
APRIL, 2013	64.00	60.80	60.80
JANUARY, 2014	68.00	60.00	64.60
MARCH, 2014	67.20	50.00	52.50

### Distribution of Shareholding

The distribution of the shareholding of the equity shares of the company by size and by ownership class as on 31<sup>st</sup> March, 2014 is given below.

### Shareholding Pattern by size

Category (No. of Equity Shares held)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	5382	95.97	412428	13.08
501-1000	122	2.18	84381	2.68
1001-2000	56	1.00	81328	2.58
2001-3000	12	0.21	29541	0.94
3001-4000	5	0.09	18358	0.58
4001-5000	3	0.05	13569	0.43
5001-10000	6	0.11	49341	1.57
10001 and above	22	0.39	2463138	78.14
<b>Total</b>	<b>5608</b>	<b>100.00</b>	<b>3152084</b>	<b>100.00</b>



DALMIA REFRACTORIES LIMITED

**Shareholding Pattern by ownership**

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	11	0.20	1262	0.04
Clearing Members	6	0.11	755	0.02
Directors	2	0.03	156	0.01
H.U.F	24	0.43	8579	0.27
Bodies Corporates	57	1.02	16804	0.53
Non Resident Indians	14	0.25	3268	0.10
Promoters Bodies Corporate	18	0.32	2043527	64.83
Resident Individuals	5475	97.63	1077683	34.19
Trusts	1	0.01	50	0.01
<b>Total</b>	<b>5608</b>	<b>100.00</b>	<b>3152084</b>	<b>100.00</b>

**Dematerialisation of Securities**

The securities of the Company can be traded in electronic form, both on Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The annual custodial fee for the year 2013-14 has been paid to both the Depositories.

ISIN No (for Dematerialised Shares): INE200F01017,

ISIN No (for Dematerialised Debentures): INE200F07014

As on 31<sup>st</sup> of March, 2014, 89.42% of Equity Shares of the Company were held in dematerialized form.

**Outstanding GDRs / ADRs / Warrants or any convertible instruments.**

Nil

**Registrar and Transfer Agent**

Karvy Computershare Private Limited

Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, HYDERABAD-500081.

**Share Transfer System**

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

The Company's Equity Shares are tradable in dematerialized form since May 2002.

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



In compliance with Clause 5A of the Listing Agreement, with the Stock Exchanges, the Company has sent reminder letters to the shareholders to claim their shares in physical form which have been returned undelivered by the postal authorities to the Company's Registrars and Share Transfer Agents. If no response is received, the unclaimed shares shall be credited to a demat suspense account and the voting rights on such shares will be freezed, in the event of a poll at the general meetings of the Company.

#### Website

The Company has a functional website [www.dalmiarefractories.com](http://www.dalmiarefractories.com) that contains relevant information updated in time and complies with Clause 54 of the Listing Agreement.

#### Details of Plant Locations and Address for Correspondence

Registered Office Address & Dalmiapuram Plant	Khambalia Plant	Katni Plant	Head Office and Correspondence Address
Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)	Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic And Chemical Industries Ltd.)	Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)	Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)
Dalmiapuram, P.O. Kallakudi-621651 Dist. Tiruchirapalli, Tamil Nadu	P.Box No.10, Jam-Khambalia-361305, Dist.Devbhumi Dwarka, Gujarat	Plot No.8 & 13, Phase-III, Lamtara Industrial Area, Katni-483501 Madhya Pradesh	4, Scindia House, Connaught Place, New Delhi-110001
Ph: 04329-235133/144/155 Fax: 04329-235122	Ph: 02833-234112 Fax: 02833-234038	Ph: 07622-266259 Fax: 07622-266306	Ph: 011-23457100 Fax: 011-23324136 <a href="http://www.dalmiarefractories.com">www.dalmiarefractories.com</a>

DALMIA REFRACTORIES LIMITED

To  
The Board of Directors,  
Dalmia Refractories Limited  
(formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss Statement and Notes on Accounts, as well as the Cash Flow Statements as at 31<sup>st</sup> March, 2014 and certify that to the best of our knowledge and belief.
  - 1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
  - 2) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems.

Place: New Delhi  
New Delhi, May 29, 2014

S.K. SRIVASTAVA  
**Chief Financial Officer**

C.N. MAHESHWARI  
**Chief Executive Officer**



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,  
Dalmia Refractories Limited  
(formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)

We have examined the compliance of conditions of Corporate Governance by Dalmia Refractories (formerly Shri Nataraj Ceramic and Chemical Industries Limited), for the year ended 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) 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 Agreement.

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

**KAMAL KISHORE**  
**PARTNER**  
Membership No.078017

Place New Delhi  
New Delhi, May 29, 2014

To  
The Board of Directors,  
Dalmia Refractories Limited  
(formerly Shri Nataraj Ceramic and Chemical Industries Limited)

Dear Sirs,

I do hereby certify that 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 in June, 2008.

This certificate is being given in compliance with the requirements of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges.

Place: New Delhi  
New Delhi, May 29, 2014

C.N. MAHESHWARI  
**Chief Executive Officer**

DALMIA REFRACTORIES LIMITED

## **COMPLIANCE CERTIFICATE**

To,

CIN No.L24297TN1973PLC006372

The Members,  
Dalmia Refractories Limited  
(formerly Shri Nataraj Ceramic and Chemical Industries Limited)  
Dalmiapuram

I have examined the registers, records, books and papers of Dalmia Refractories Limited (formerly Shri Nataraj Ceramic and Chemical Industries Limited) (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and the Companies Act, 2013 to the extent applicable and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:-

1. The Company has kept and maintained all registers as stated under, as per the provisions and the rules made thereunder and all entries therein have been duly recorded:
  - i) Register of Members u/s 150 (through the Registrar & Transfer Agent of the Company)
  - ii) Register of Share Transfer (through the Registrar & Transfer Agent of the Company);
  - iii) Books of Accounts u/s 209;
  - iv) Minutes Books of Board Meetings and Shareholders Meetings;
  - v) Register of Directors and Shareholders Attendance;
  - vi) Register of Charges u/s 143;
  - vii) Register of Contracts in which Directors are interested u/s 301;
  - viii) Register of Directors etc. u/s 303;
  - ix) Register of Directors Shareholding u/s 307;
  - x) Register of Investments, loans u/s 372A;
2. The Company has duly filed the forms and returns as stated under, with the Registrar of Companies and Central Government within the time prescribed under the Act and the rules made thereunder;
  - i) Form-32 (For change in designation from Managing Director to Director)
  - ii) Form-32 (For Appointment/Cessation of Secretary)
  - iii) Form-66 (For Compliance Certificate u/s 383A)
  - iv) Form -23C (For appointment of Cost Auditor u/s 233B(2))
  - v) Form-23AC & ACA XBRL (For Annual Accounts u/s 220)
  - vi) Form -20B (For Annual Return u/s 159)
  - vii) Form-8 (For modification of charge u/s 135)
  - viii) Form-5 INV (Statement of Unclaimed and Unpaid amounts pursuant to rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012)
  - ix) Form-8 (For modification of charge u/s 135)
  - x) Form-1A (For availability of name u/s 20)
  - xi) Form-23 (For special resolution to change the name of the Company and alteration of Memorandum and Articles of Association)
  - xii) Form-1B (For change of name u/s 21 and 31(1))

3. The Company is a Public Limited Company and its paid-up capital is Rs. 3,15,20,840.
4. The Board of Directors duly met four times during the year on following dates in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the minutes book maintained for the purpose:

Dates of Meetings of Board

- i) 27.05.2013
  - ii) 13.08.2013
  - iii) 29.10.2013
  - iv) 14.02.2014
5. The Company has closed its Register of Members from 08.08.2013 to 13.08.2013 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
  6. The Annual General Meeting for the financial year ended 31.03.2013 was held on 13<sup>th</sup> August, 2013 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
  7. An Extra-ordinary General Meeting was held during the financial year on 26.03.2014 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
  8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 295 of the Act and Section 185 of the Companies Act, 2013.
  9. The Company has not entered into any contract covered under the provisions of Section 297 of the Act during the financial year.
  10. The Company was not required to make entries in the register maintained under Section 301 of the Act.
  11. The provisions of Section 314 of the Act were not applicable to the Company during the financial year.
  12. Issue of duplicate/ new share certificates have been approved by the Committee/Board of Directors of the Company during the year.
  13. The Company has:
    - i) delivered all certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act through RTA.
    - ii) deposited the amount of final dividend in a separate Bank Account within 5 days from the date of declaration of dividend.
    - iii) posted warrants for dividend to the members of the company within the stipulated period from the date of declaration and all the unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
    - iv) was not required to transfer to the Investor Education and Protection Fund as there was no amount unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
    - v) duly complied with the requirements of Section 217 of the Act.
  14. The Board of Directors is duly constituted and the appointment of all directors has duly been made.
  15. The Company has not appointed Managing Director/Whole-time Director/Manager during the financial year.
  16. No sole selling agent has been appointed during the year.

DALMIA REFRACTORIES LIMITED

17. The Company has obtained all necessary approvals from Central Government and Registrar as prescribed under various provisions of the Act for change of name of the Company.
18. The Directors duly disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and Rules made there under.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares/debentures during the year.
22. The Company wherever necessary has kept in abeyance right to dividend pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not taken deposits during the financial year, under the provisions of Section 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975.
24. The total amount borrowed by the Company during the financial year ending 31<sup>st</sup> March, 2014 is within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act has been duly passed.
25. The Company has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose.
26. The Company has not altered the provisions of Memorandum with respect to situation of the Company's Registered Office during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny with the provisions of the Act.
29. The Company has not altered the provisions of Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has altered its Articles of Association after obtaining the approval of members in the Extraordinary General Meeting held on 26.03.2014 and the amendments to the Articles of Association have been duly registered with the Registrar of Companies, Tamil Nadu.
31. There was no prosecution initiated against or show cause notice received by the company for the offences under the Act and no fines or penalties or any other punishment was imposed on the Company during the financial year.
32. No amount has been received as security from its employees during the year.
33. The Company has deposited both employees and employers contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: New Delhi  
New Delhi, May 29, 2014

(B.D. Tapriya)  
C.P. No.2059





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**DALMIA REFRACTORIES LIMITED**  
**(Formerly known as Shri Nataraj Ceramic and Chemical Industries Limited)**

**Report On the Financial Statements**

We have audited the accompanying Financial Statements of **Dalmia Refractories Limited** ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the act") read with the General Circular 15/2013 dated September 2013 of the Ministry of corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- ii) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date ; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

DALMIA REFRACTORIES LIMITED

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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

Place : New Delhi  
New Delhi, May 29, 2014

**(KAMAL KISHORE)**  
**PARTNER**  
Membership No.078017

**Re: Dalmia Refractories Limited (Formerly known as Shri Nataraj Ceramic and Chemical Industries Limited)  
Annexure to Independent Auditors' Report**

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

- (i) (a) The Company has maintained reasonable records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified during the year by the management at all its locations. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (b) to (d) of the order are not applicable.
- (b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (f) and (g) of the order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us during the course of audit, there are reasonable internal control systems commensurate with size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that all the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into the register in pursuance to section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year, have been made at prices which are prima facie reasonable having regard to the prevailing market prices available at the relevant time except in case of certain transactions of purchase and sale of goods being materials of special nature for which alternate quotations are not always available.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

DALMIA REFRACTORIES LIMITED

- (ix) (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 in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable as at 31st March, 2014.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, custom duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute, are as follows:-

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
1.	Gujarat Value Added Tax Act, 2003	Value Added Tax	35.07	2001-2002	Tribunal, Ahmedabad
2.	Central Excise & Salt Act, 1944	Excise Duty	2.85	May' 2008 to August' 2010	Commissioner (Appeals), Trichy
3.	Central Excise & Salt Act, 1944	Excise Duty	1.15	September' 2010 to June' 2011	CESTAT, Chennai

- (x) The Company does not have any accumulated losses as at the close of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) 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 dues to any financial institution or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
- (xiv) The Company has maintained proper records of transactions and contracts for purchase and sale of units / securities during the year under review and timely entries were made therein. All shares, securities and other investments have been held by the Company in its own name.
- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) As per the information and explanations given to us and on the basis of our examination of the records, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, in our opinion, generally, there are no funds raised by the Company on short term basis, which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xix) According to information and explanations given to us, the Company has created necessary security for debentures issued in earlier years.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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 noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : New Delhi  
New Delhi, May 29, 2014

**KAMAL KISHORE**  
**PARTNER**  
Membership No.078017

## BALANCE SHEET AS AT MARCH 31, 2014

(Rs. In lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
(a) Share Capital	2	315.21		315.21	
(b) Reserves and Surplus	3	<u>5,421.13</u>	5,736.34	<u>5,335.59</u>	5,650.80
<b>(2) Non-Current liabilities</b>					
(a) Long term borrowings	4	288.00		388.00	
(b) Deferred tax liabilities (Net)	5	240.00		247.00	
(c) Other long term liabilities	6	10.80		141.20	
(d) Long term provisions	7	<u>74.37</u>	613.17	<u>63.16</u>	839.36
<b>(3) Current Liabilities</b>					
(a) Short term borrowings	8	1,071.99		1,090.26	
(b) Trade payables	9	2,080.07		1,705.77	
(c) Other current liabilities	10	703.61		632.40	
(d) Short term provisions	11	<u>50.79</u>	3,906.46	<u>69.63</u>	3,498.06
<b>TOTAL</b>			<u>10,255.97</u>		<u>9,988.22</u>
<b>II. ASSETS</b>					
<b>(1) Non-Current assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets	12	2,290.61		2,504.04	
(ii) Intangible assets	12	-		-	
(iii) Capital work in progress	12	<u>10.25</u>		<u>15.85</u>	
		2,300.86		2,519.89	
(b) Non-current investments	13	494.62		494.65	
(c) Long term loans and advances	14	222.61		189.06	
(d) Other non current assets	15	<u>3.43</u>	3,021.52	<u>3.39</u>	3,206.99
<b>(2) Current Assets</b>					
(a) Current Investments	16	0.24		14.97	
(b) Inventories	17	3,903.36		3,641.93	
(c) Trade receivables	18	2,332.24		1,975.40	
(d) Cash and cash equivalents	19	174.59		103.41	
(e) Short term loans and advances	20	789.78		1,043.10	
(f) Other current assets	21	<u>34.24</u>	7,234.45	<u>2.42</u>	6,781.23
			<u>10,255.97</u>		<u>9,988.22</u>
<b>Significant accounting policies</b>	1				

The notes referred to above form an integral part of the financial statements  
This is the balance sheet referred to in our report of even date

**For S.S. KOTHARI MEHTA & CO.**

Chartered Accountants  
Firm Registration No.000756N

**KAMAL KISHORE**  
Partner

Membership No.078017  
New Delhi, May 29, 2014

C.N. Maheshwari  
Chief Executive Officer

S.K. Srivastava  
Chief Financial Officer

Shweta Chadha  
Secretary

**For and on behalf of the Board**

Deepak Thombre  
Director

P.D. Mathur  
Director

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2014**

(Rs.in lacs)

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2014		For the Year ended 31 <sup>st</sup> March, 2013	
		Rs.	Rs.	Rs.	Rs.
<b>I Revenue from Operations</b>	22	<b>10,828.31</b>		11,227.17	
Less: Excise Duty		<u>666.20</u>		<u>815.61</u>	
		<b>10,162.11</b>		10,411.56	
<b>II Other Income</b>	23	<b>99.50</b>		68.80	
<b>Total revenue</b>		<u><b>10,261.61</b></u>		<u>10,480.36</u>	
<b>III Expenses</b>					
Cost of materials consumed	24	<b>4,405.34</b>		4,577.48	
Purchases of Traded Goods	25	<b>651.61</b>		17.08	
(Increase)/Decrease in finished and semi finished goods	26	<b>(501.84)</b>		11.43	
Remuneration and benefits to employees	27	<b>1,905.45</b>		1,870.85	
Financial expenses	28	<b>219.87</b>		328.95	
Depreciation and amortization expenses	12	<b>233.96</b>		275.99	
Other expenses	29	<b>3,164.80</b>		<u>3,178.42</u>	
<b>Total Expenses</b>		<u><b>10,079.19</b></u>		<u>10,260.20</u>	
Profit before exceptional and extraordinary items and tax		<b>182.42</b>		220.16	
Less: Exceptional items		-		-	
Profit before extraordinary items and tax		<b>182.42</b>		220.16	
Less: Extraordinary items		-		-	
Profit before tax		<b>182.42</b>		220.16	
Less: Tax expenses					
- Current tax		<b>67.00</b>		100.00	
- Deferred tax		<b>(7.00)</b>		(27.00)	
- Income tax adjustment for earlier years		-	<b>60.00</b>	(2.80)	70.20
Profit/(Loss) for the year		<b>122.42</b>		149.96	
Earning per equity share (Nominal Value of Equity Share Rs.10/- each)					
(1) Basic (Rs.)		<b>3.88</b>		4.67	
(2) Diluted (Rs.)		<b>3.88</b>		4.67	

**Significant accounting Policies**

1

The notes referred to above form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

**For S.S. KOTHARI MEHTA & CO.**Chartered Accountants  
Firm Registration No.000756N**KAMAL KISHORE  
Partner**Membership No.078017  
New Delhi, May 29, 2014C.N. Maheshwari  
Chief Executive OfficerS.K. Srivastava  
Chief Financial Officer**For and on behalf of the Board**Deepak Thombre  
DirectorShweta Chadha  
SecretaryP.D. Mathur  
Director

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

### **NOTE-1**

#### **(I) OVERVIEW**

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

#### **(II) SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, on going concern basis, in terms of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and in compliance with Section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

The Company has prepared its financial statements in accordance with Schedule VI as inserted by Notification-S.O. 4471 dated 28.02.2011 (As amended by Notification No. F.NO. 2/6/2008-CL-V, Dated 30.03.2011).

##### **b. Use of Estimates**

The preparation of financial statements requires estimates and assumptions that affect the reported amounts of income and expenses for the period, the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as on the date of financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

##### **c. Fixed Assets and Depreciation**

- i) Fixed Assets are stated at cost of acquisition or construction and include interest on specific borrowings for new projects upto commissioning.
- ii) Leasehold Land is being amortised over the lease period.
- iii) Depreciation is provided on straight line method for the fixed assets at Dalmiapuram, Khambalia, Wankaner and Katni Works and written down value method for the fixed assets at New Delhi Office at the rates specified in Schedule XIV to the Companies Act, 1956.

##### **d. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed to the extent the recoverable amount exceeds the carrying amount.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**e. Intangible Assets**

Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognised as Intangible Assets in accordance with principles given under AS-26 Intangible Assets. These are grouped and separately shown under the schedule of Fixed Assets. These are amortized over their respective expected useful lives not exceeding 10 years.

**f. Valuation of Inventories**

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

(b) Historical cost is determined on the basis of weighted average method.

Excise duty is included in the valuation of finished goods and by-product inventory.

**g. Investments**

Long Term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS-13 Accounting for Investments if the decline/diminution is other than temporary. Current Investments are stated at lower of cost or market/fair value.

**h. Revenue Recognition**

(a) Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory. Quality rebates, claims and other discounts are disclosed separately.

(b) Domestic Sales includes excise duty. However, excise duty on sales is reduced from gross turnover for disclosing net turnover.

(c) Inter-divisional sales is reduced from gross turnover in deriving net turnover.

(d) Processing charges is accounted for, on the basis of certified production.

**i. Other Income**

a) Claims receivable

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.

b) Income from Investment

Income from Investment is accounted for on accrual basis when the right to receive income is established.

**j. Foreign Currency Conversion/Transaction**

Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate on the date of the transaction.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Exchange differences arising on settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

The premium or discount arising at the inception of forward exchange contract is amortised as an expense or income over the life of the contract.

### **k. Employee Benefits**

#### (i) Defined Contribution Plan:

Employee benefits in the form of the Company's contribution to provident fund, pension scheme, superannuation fund and ESI are considered as defined contribution plan and charged to statement of profit and loss account of the year when the contribution to the respective funds are due.

#### (ii) Defined Benefit Plan:

Retirement benefits in the form of gratuity and leave encashment are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the balance sheet using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) The expenditure on voluntary retirement schemes is charged to statement of profit and loss account in the year in which it is incurred.

### **l. Segment Reporting**

Segmental accounting policies are in line with the accounting policies of the company. However, the following specific accounting policies have been followed for segment reporting:

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses/incomes, not allocable to any segments, are included under "Unallocable items/others".
- (c) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities not allocable to any segment.

### **m. Taxes on Income**

- (a) Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

(b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income', Deferred Tax Liability/Asset arising from timing differences between book and income tax profits is accounted for at the tax rates which are enacted or substantively enacted at the Balance Sheet date to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognised only if there is a reasonable/virtual certainty of realisation thereof.

**n. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets neither recognised in the Accounts nor disclosed in the notes to accounts.

**o. Leases**

**Where the Company is lessee**

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 recognised as an expense in the Profit and Loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in statement of Profit and Loss. Account

**p. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**q. Cash and Cash Equivalentents**

Cash and cash equivalentents in the cash flow statement comprise cash at bank and cash/cheques in hand and short term deposits with Banks less short term advances from Banks.

**r. Government Grants and Subsidies**

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' fund. Revenue subsidy has been credited in the statement of Profit & Loss Account on receipt basis.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**NOTE - 2 - SHARE CAPITAL**

Particulars	(Rs. In lacs)			
	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	Rs.	Number	Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	<b>50,00,000</b>	<b>500.00</b>	50,00,000	500.00
		<b>500.00</b>		500.00
<b>Issued, subscribed and fully paid up:</b>				
Equity Shares of Rs.10 each				
At the beginning of the reporting period	<b>31,52,084</b>	<b>315.21</b>	31,52,084	315.21
Issued during the reporting period	-	-	-	-
At the close of the reporting period	<b>31,52,084</b>	<b>315.21</b>	31,52,084	315.21

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

During the year ended 31<sup>st</sup> March, 2014 the amount of per share dividend recognize as distribution to equity shareholders was **Rs.1.00** (previous year Rs.1.50). The Company declares Dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

- b) Aggregate number of shares issued during the period of five years immediately preceding the reporting date.**

During the financial year 2010-11 the Board of Directors have exercised the call option in respect of detachable warrants as attached with 6% NCDs as per the terms of issue and called upon all the existing warrant holders to submit their applications for conversion of the warrants held by them into equity shares of the Company. Warrant holders holding 23,52,084 warrants exercised the options and consequently the company allotted 23,52,084 equity shares of Rs.10 each fully paid up. The funds have been utilized for long term working capital and general corporate purposes as defined in the Letter of Offer.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Particulars	As at		As at	
	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
<b>c) Details of Shareholders holding More than 5% shares in the Company.</b>				
Equity Shares of Rs.10 each fully paid up	<b>No .of Share</b>	<b>% of Holding</b>	<b>No. of Share</b>	<b>% of Holding</b>
i) Mayuka Investment Limited	<b>614396</b>	<b>19.49</b>	632396	20.06
ii) Ankita Pratisthan Limited	<b>402091</b>	<b>12.76</b>	384091	12.19
iii) Sita Investment Co. Limited	<b>312300</b>	<b>9.91</b>	312300	9.91
iv) Alirox Abrasives Limited	<b>247187</b>	<b>7.84</b>	247187	7.84
v) Mahendra Girdharilal Wadhawani	<b>183886</b>	<b>5.83</b>	183886	5.83
vi) Rama Investment Co. Private Limited	<b>176728</b>	<b>5.61</b>	176728	5.61
vii) Saral Bhanshali	<b>174739</b>	<b>5.54</b>	174739	5.54

As per records of the Company, including register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.

**NOTE - 3 - RESERVES & SURPLUS****a) Capital Reserve**

Balances as per last financial statements	<b>5.00</b>	5.00
Add: Government subsidy received	<b>-</b>	-
Closing Balance	<b>5.00</b>	5.00

**b) Securities Premium Account**

Balances as per last financial statements	<b>588.02</b>	588.02
Add: Securities premium credited on Share issue	<b>-</b>	-
Closing Balance	<b>588.02</b>	588.02

**c) Debenture Redemption Reserve**

Balances as per last financial statements	<b>120.00</b>	120.00
Closing Balance	<b>120.00</b>	120.00

**d) General Reserve**

Balances as per last financial statements	<b>654.82</b>	644.82
Add: Amount transferred from surplus balance in the statement of Profit and Loss	<b>10.00</b>	10.00
Closing Balance	<b>664.82</b>	654.82

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
<b>e) Surplus in the statement of profit and loss</b>		
Balances as per last financial statements	<b>3,967.75</b>	3,883.11
Add: Profit for the year	<b>122.42</b>	149.96
Less: Appropriations		
- Proposed Dividends	<b>31.52</b>	47.28
- Corporate Dividend Tax	<b>5.36</b>	8.04
- Transfer to Reserves	<b>10.00</b>	10.00
Closing Balance	<b>4,043.29</b>	3,967.75
	<b>5,421.13</b>	5,335.59

**NOTE - 4 - LONG TERM BORROWINGS**
**Secured Loans:**

a. Debentures		
6% Non Convertible Debentures	<b>240.00</b>	240.00
b. Term Loans		
- From Banks	<b>48.00</b>	148.00
	<b>288.00</b>	388.00

**1) Debentures**

- i) 6% Non Convertible Debentures to be redeemed at the face value of Rs.10 each at the end of seven years or earlier as decided by the Board from the date of issue i.e. 14.08.2009.
- ii) 6% Non Convertible Debentures are Secured by Hypothecation and Pari Passu charge on Company's moveable and fixed assets at its Dalmiapuram Unit.

**2) Terms Loans**

- i) Loans of **Rs.148.00 lacs** (Previous Year Rs.390.50 lacs) as shown in long term borrowings and current maturities of long term debts in Note-10 are secured by equitable mortgage of Factory Land and Building at Dalmiapuram, Khambalia and Katni Units of the Company. In addition to that secured by first charge over moveable fixed assets and hypothecation of Stocks and other current assets as collateral extension.

- ii) Repayments and interest rates for the above term loans are as follows :-

Year	2014-15	2015-16
Amount	100.00	48.00

The interest rate for the above Term Loans varies from 13.00% to 13.25%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

(Rs.In lacs)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>NOTE - 5 - DEFERRED TAX LIABILITY</b>		
a) <b>Deferred tax liability:</b>		
On account of depreciation on fixed assets	290.00	293.00
b) <b>Deferred tax assets:</b>		
On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	<u>50.00</u>	<u>46.00</u>
<b>(Refer Note 1.15)</b>	<u>240.00</u>	<u>247.00</u>
<b>NOTE - 6 - OTHER LONG TERM LIABILITIES</b>		
a) Deposits	-	125.00
b) Others	<u>10.80</u>	<u>16.20</u>
	<u>10.80</u>	<u>141.20</u>
<b>NOTE - 7 - LONG TERM PROVISIONS</b>		
Provisions for employee benefits	<u>74.37</u>	<u>63.16</u>
	<u>74.37</u>	<u>63.16</u>
<b>NOTE - 8 - SHORT TERM BORROWINGS</b>		
<b>Secured Loans:</b>		
Cash credit from banks	<u>1,071.99</u>	1,090.26
	<u>1,071.99</u>	<u>1,090.26</u>
Cash credit from banks is secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, stores, spares, book debts and moveable fixed assets at the company's Dalmiapuram, Khambalia and Katni Units.		
The Cash Credit is repayable on demand and carries interest at BPLR-3.75% and varies from 12.00% to 12.75%.		
<b>NOTE - 9 - TRADE PAYABLE</b>		
a) To Micro, Small and Medium Enterprises*	-	-
b) Others	<u>2,080.07</u>	<u>1,705.77</u>
	<u>2,080.07</u>	<u>1,705.77</u>

\* Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since there are no such parties identified based on the information so far available, the disclosure regarding overdue amounts and interest payable thereon are not given.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Rs.In lacs)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>NOTE - 10 - OTHER CURRENT LIABILITIES:</b>		
a) Current Maturities of long term debts	<b>100.00</b>	242.50
b) Interest accrued but not due on borrowings	<b>21.38</b>	13.49
c) Unclaimed dividends*	<b>20.90</b>	18.83
d) 6% NCD Application money*	<b>0.11</b>	0.11
e) Statutory Liabilities	<b>220.44</b>	164.56
f) Advance from Customers	<b>295.50</b>	139.54
g) Others	<b>45.28</b>	53.37
	<b><u>703.61</u></b>	<u>632.40</u>

\*Investor Education and Protection Fund - there are no amount due and outstanding to be credited to the Investor Education and Protection Fund.

**NOTE - 11 - SHORT TERM PROVISIONS:**

a) Provision for employee benefits	<b>13.91</b>	14.31
b) Proposed Dividend	<b>31.52</b>	47.28
c) Corporate Dividend Tax thereon	<b>5.36</b>	8.04
	<b><u>50.79</u></b>	<u>69.63</u>

**NOTE - 12 - FIXED ASSETS**

	Tangible Assets							Intangible Assets		Grand Total
	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equip-ment	Furniture and Fixtures	Vehicles	Total	Com-puter Soft-ware	
<b>Cost</b>										
As at 1 <sup>st</sup> April, 2012	13.90	85.89	829.08	3,918.90	223.54	96.97	21.49	5,189.77	2.41	5,192.18
Additions	-	-	9.10	56.26	29.49	4.31	-	99.16	-	99.16
Disposals	-	-	-	52.16	-	-	-	52.16	-	52.16
<b>As at 31<sup>st</sup> March, 2013</b>	<b>13.90</b>	<b>85.89</b>	<b>838.18</b>	<b>3,923.00</b>	<b>253.03</b>	<b>101.28</b>	<b>21.49</b>	<b>5,236.77</b>	<b>2.41</b>	<b>5,239.18</b>
Additions	-	-	2.06	39.18	20.19	2.64	9.91	73.98	-	73.98
Disposals	-	-	1.86	219.46	28.32	14.13	6.13	269.90	2.41	272.31
<b>As at 31<sup>st</sup> March, 2014</b>	<b><u>13.90</u></b>	<b><u>85.89</u></b>	<b><u>838.38</u></b>	<b><u>3,742.72</u></b>	<b><u>244.90</u></b>	<b><u>89.79</u></b>	<b><u>25.27</u></b>	<b><u>5,040.85</u></b>	<b><u>-</u></b>	<b><u>5,040.85</u></b>
<b>Depreciation</b>										
As at 1 <sup>st</sup> April, 2012	-	5.26	221.67	2,022.78	141.60	83.89	15.39	2,490.59	2.32	2,492.91
Charge for the year	-	3.02	25.18	223.44	20.16	2.68	1.42	275.90	0.09	275.99
Disposals	-	-	-	33.76	-	-	-	33.76	-	33.76
<b>As at 31<sup>st</sup> March, 2013</b>	<b>-</b>	<b>8.28</b>	<b>246.85</b>	<b>2,212.46</b>	<b>161.76</b>	<b>86.57</b>	<b>16.81</b>	<b>2,732.73</b>	<b>2.41</b>	<b>2,735.14</b>
Charge for the year	-	3.02	24.41	184.85	17.80	1.83	2.05	233.96	-	233.96
Disposals	-	-	0.15	172.29	25.38	12.50	6.13	216.45	2.41	218.86
<b>As at 31<sup>st</sup> March, 2014</b>	<b><u>-</u></b>	<b><u>11.30</u></b>	<b><u>271.11</u></b>	<b><u>2,225.02</u></b>	<b><u>154.18</u></b>	<b><u>75.90</u></b>	<b><u>12.73</u></b>	<b><u>2,750.24</u></b>	<b><u>-</u></b>	<b><u>2,750.24</u></b>
<b>Net Block</b>										
As at 31 <sup>st</sup> March, 2013	13.90	77.61	591.33	1,710.54	91.27	14.71	4.68	2,504.04	-	2,504.04
<b>As at 31<sup>st</sup> March, 2014</b>	<b><u>13.90</u></b>	<b><u>74.59</u></b>	<b><u>567.27</u></b>	<b><u>1,517.70</u></b>	<b><u>90.72</u></b>	<b><u>13.89</u></b>	<b><u>12.54</u></b>	<b><u>2,290.61</u></b>	<b><u>-</u></b>	<b><u>2,290.61</u></b>

**CAPITAL WORK IN PROGRESS**

As at 31 <sup>st</sup> March, 2013	15.85
<b>As at 31<sup>st</sup> March, 2014</b>	<b>10.25</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

Details of Investments	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>NOTE - 13 - NON CURRENT INVESTMENTS:</b>		
a) Trade Investments	-	-
b) Other than Trade Investments		
i) Quoted fully paid up Equity Shares of Others -		
- Dalmia Bharat Sugar & Industries Ltd.	0.64	0.64
<b>1000</b> (Previous year 1,000) Equity Shares of Rs.2 each		
- Dalmia Bharat Limited	493.98	493.98
<b>349476</b> (Previous year 349476) Equity Shares of Rs.2 each		
ii) Unquoted Investment in Government or Trust Securities		
National Saving Certificates*	-	0.03
	<u>494.62</u>	<u>494.65</u>
* Written off during the year.		
Aggregate book value of quoted investments	494.62	494.62
Aggregate book value of unquoted investments	0.00	0.03
Market Value of quoted investments	888.18	518.59

**NOTE - 14 - LONG TERM LOANS AND ADVANCES:  
(Unsecured, considered good)**

a) Capital Advances	25.00	-
b) Security Deposits	65.52	71.47
c) To employees	27.78	23.19
d) Income Tax (Net of Provision <b>Rs.482 lacs</b> , previous year Rs.415.00 lacs)	94.25	84.34
e) Others	10.06	10.06
	<u>222.61</u>	<u>189.06</u>

**NOTE - 15 - OTHER NON-CURRENT ASSETS:**

Deposits with original maturity more than 12 months (Pledged with banks towards margin)	3.43	3.39
	<u>3.43</u>	<u>3.39</u>

**NOTE - 16 - CURRENT INVESTMENTS:**

Details of Investments	No. of Units	(Rs. In lacs)		
		As at 31 <sup>st</sup> March, 2014	No. of Units	As at 31 <sup>st</sup> March, 2013
<b>Investments in Mutual funds:</b>				
HDFC Floating Rate Fund (Valued at lower of cost or fair value)	2360	0.24	147627	14.97
		<u>0.24</u>		<u>14.97</u>
Aggregate Book value of unquoted Investments		0.24		14.97

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**(Rs.in lacs)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>NOTE - 17 - INVENTORIES:</b>		
a) Raw materials	<b>1,382.25</b>	2,197.95
b) Raw materials in transit	<b>111.58</b>	-
c) Finished goods	<b>1,269.32</b>	740.47
d) Semi Finished Goods	<b>140.10</b>	167.11
e) Stores and spares	<b>375.68</b>	496.66
f) Stores and Spares in transit	<b>618.00</b>	31.08
g) Loose tools	<b>6.43</b>	8.66
	<b><u>3,903.36</u></b>	<u>3,641.93</u>
<b>NOTE - 18 - TRADE RECEIVABLES:</b>		
a) Secured	-	-
b) Unsecured		
Exceeding six months		
- Considered good	<b>1056.00</b>	585.52
- Considered Doubtful	<b>64.08</b>	64.08
	<b><u>1120.08</u></b>	<u>649.60</u>
Less: Provision for bad and doubtful debts	<b>64.08</b>	64.08
	<b><u>1056.00</u></b>	<u>585.52</u>
Others		
- Considered Good	<b>1,276.24</b>	1,389.88
	<b><u>2,332.24</u></b>	<u>1,975.40</u>

Particulars	Non-Current		Current	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>NOTE - 19 - CASH AND CASH EQUIVALENTS:</b>				
a) Balance with Banks				
- Earmarked for unpaid dividend	-	-	<b>20.90</b>	18.83
- Earmarked for margin money and guarantees	-	-	<b>133.65</b>	0.64
- Deposits with original maturity more than 12 months	<b>3.43</b>	3.39	-	-
- Balances in Current Accounts	-	-	<b>13.07</b>	27.11
- Earmarked for NCD Application Money	-	-	<b>0.11</b>	0.11
b) Cheques in hand	-	-	-	50.04
c) Cash in hand	-	-	<b>6.60</b>	6.62
d) Others	-	-	<b>0.26</b>	0.06
	<b><u>3.43</u></b>	<u>3.39</u>	<b><u>174.59</u></b>	<u>103.41</u>
Amount disclosed under other non-current assets Note-15	<b>3.43</b>	3.39	-	-
	-	-	<b><u>174.59</u></b>	<u>103.41</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014****(Rs. In lacs)**

Particulars	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
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**NOTE - 20 - SHORT TERM LOANS AND ADVANCES:  
(Unsecured, considered good)**

a) To employees	16.94	12.64
b) Prepaid expenses	28.41	28.28
c) Balance with Govt. Authorities & Others	379.13	330.90
d) Due from related parties	220.44	519.60
e) Others	144.86	151.68
	<u>789.78</u>	<u>1,043.10</u>

**NOTE - 21 - OTHER CURRENT ASSETS:**

Interest receivable	2.74	2.42
Others	31.50	-
	<u>34.24</u>	<u>2.42</u>

**(Rs. In lacs)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2014	For the Year Ended 31 <sup>st</sup> March, 2013
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**NOTE - 22 - REVENUE FROM OPERATIONS:**

a) Sale of Products		
Refractories	6,069.00	7,465.00
Calcined Bauxite	243.75	202.63
Self Consumption	25.03	37.59
Inter Segment/Unit Transfer	257.16	441.31
Traded Goods	694.89	22.64
b) Sale of services	2,166.13	2,275.02
c) Other operating revenues		
Sale of non-plant grade bauxite	1,568.23	1,146.54
Scrap Sales	61.28	77.75
	<u>11,085.47</u>	<u>11,668.48</u>
Less: Inter Segment/Unit Transfer	257.16	(441.31)
	<u>10,828.31</u>	<u>11,227.17</u>

**NOTE - 23 - OTHER INCOME:**

a) Interest income from Banks and others (Tax deducted at source <b>Rs.1.10 lacs</b> , previous year Rs.1.10lacs)	14.83	13.80
b) Dividend Income		
- From long term investments	6.99	5.24
- From current investments	0.42	0.99
c) Profit on sale of fixed assets	36.86	3.20
d) Profit on sale of investments	0.01	-
e) Excess Provision/Liability no longer required written back	11.10	30.18
f) Other non operating income	29.29	15.39
	<u>99.50</u>	<u>68.80</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**(Rs. In lacs)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2014	For the Year Ended 31 <sup>st</sup> March, 2013
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**NOTE - 24 - COST OF MATERIALS CONSUMED:**

Consumption of raw materials	<u>Qty. M.T.</u>	<u>Rs.</u>	<u>Qty. M.T.</u>	<u>Rs.</u>
- Clay	25179	307.80	21424	244.11
- Bauxite	26514	2,941.45	29599	3,139.59
- Other Materials		<u>1,413.25</u>		<u>1,635.09</u>
		<u>4,662.50</u>		<u>5,018.79</u>
Less: Inter Unit Transfer		<u>257.16</u>		<u>441.31</u>
		<u>4,405.34</u>		<u>4,577.48</u>

**NOTE - 25 - PURCHASE OF TRADED GOODS:**

	651.61	17.08
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**NOTE - 26 - (INCREASE)/DECREASE IN STOCKS OF FINISHED AND SEMI-FINISHED GOODS:**
**Closing Stocks**

a) Finished Goods	<u>1,269.32</u>	740.47
b) Semi-Finished Goods	<u>140.10</u>	<u>167.11</u>
<b>Total</b>	<u>1,409.42</u>	<u>907.58</u>

**Less: Opening Stocks**

a) Finished Goods	<u>740.47</u>	794.51
b) Semi-Finished Goods	<u>167.11</u>	<u>124.50</u>
<b>Total</b>	<u>907.58</u>	<u>919.01</u>
	<b>(501.84)</b>	11.43

**NOTE - 27 - REMUNERATION AND BENEFITS TO EMPLOYEES:**

a) Salaries and wages	<u>1,659.21</u>	1,627.80
b) Contribution to provident and other funds	<u>86.16</u>	83.77
c) Gratuity and Pension	<u>31.05</u>	31.29
d) Staff welfare expenses	<u>129.03</u>	<u>127.99</u>
	<u>1,905.45</u>	<u>1,870.85</u>

**NOTE - 28 - FINANCE COSTS:**
**Interest**

On Term Loans	<u>32.07</u>	73.34
On Borrowing From Banks	<u>169.23</u>	235.35
On Debentures	<u>14.40</u>	14.40
On Others	<u>4.17</u>	<u>5.86</u>
	<u>219.87</u>	<u>328.95</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Particulars	(Rs. In lacs)	
	For the Year Ended 31 <sup>st</sup> March, 2014	For the Year Ended 31 <sup>st</sup> March, 2013
<b>NOTE - 29 - OTHER EXPENSES:</b>		
a) Consumption of Stores & Spares Parts	<b>249.08</b>	252.70
b) Power and fuel	<b>949.07</b>	1,001.11
c) Packing Freight & Transport (Net after recoveries of <b>Rs.31.16 lacs</b> , previous year Rs.51.40 lacs)	<b>147.54</b>	101.30
d) Commission	<b>139.75</b>	167.60
e) Rebates, Discounts & Allowances	<b>1.26</b>	6.62
f) Rent	<b>23.68</b>	109.03
g) Repair and maintenance		
- Buildings	<b>23.32</b>	23.06
- Plant and Machinery	<b>396.16</b>	559.66
- Others	<b>47.83</b>	29.82
h) Insurance	<b>25.51</b>	22.62
i) Rates and taxes	<b>15.00</b>	12.94
j) Payment to the auditor		
- Audit Fees	<b>2.50</b>	2.00
- Other services	<b>1.60</b>	1.30
- Reimbursement of expenses	<b>2.38</b>	1.57
k) Advertisement & Publicity	<b>4.74</b>	4.12
l) Provision for doubtful receivables	-	64.08
m) Bad trade receivables written off	<b>3.34</b>	1.50
n) Loss on sale of fixed asset	<b>0.13</b>	3.52
o) Travelling	<b>96.09</b>	107.72
p) Donations	<b>0.78</b>	0.81
q) Legal charges	<b>1.65</b>	1.50
r) Variation of Excise Duty on Closing Stock	<b>57.75</b>	(3.23)
s) Expenses on Engineering Services	<b>389.01</b>	239.96
t) Fixed Assets written off	<b>53.10</b>	-
u) Write off of Lease Money	<b>0.01</b>	0.01
v) Foreign Exchange Fluctuation (Net of Income of <b>Rs.15.37 lacs</b> , previous year Rs.26.49 lacs)	<b>79.26</b>	28.76
w) Miscellaneous expenses	<b>454.26</b>	438.34
	<b><u>3,164.80</u></b>	<b><u>3,178.42</u></b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**(Rs. In lacs)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
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**Additional Information :**

a) Value of Imports calculated on CIF basis		
i) Raw Materials	<b>1,183.33</b>	1,559.57
ii) Components and spares parts	-	-
iii) Capital goods	-	-
b) Expenditure in foreign currency: (net of withholding tax)		
i) Interest	<b>3.40</b>	4.27
ii) Travelling/Conference/Subscription expenses	<b>10.78</b>	2.20
c) Earning in Foreign Exchange		
i) Export of goods calculated on F.O.B. basis	<b>60.49</b>	-

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
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d) Details regarding imported and indigenous Materials Consumed	<b>Amount</b>	<b>% to total</b>	Amount	% to Total
1. Spare Parts & Components				
- Indigenous	<b>249.08</b>	<b>100.00</b>	252.70	100.00
- Imported	-	-	-	-
Total	<b><u>249.08</u></b>	<b><u>100.00</u></b>	<u>252.70</u>	<u>100.00</u>
2. Raw Materials				
- Indigenous	<b>2,272.43</b>	<b>51.58</b>	2,601.75	61.03
- Imported	<b>2,132.91</b>	<b>48.42</b>	1,975.73	38.97
Total	<b><u>4,405.34</u></b>	<b><u>100.00</u></b>	<u>4,577.48</u>	<u>100.00</u>
e) Details of non-resident shareholding for payment of dividend				
i) Number of nonresident shareholders		<b>15</b>		15
ii) Number of shares held by nonresident shareholders		<b>3,568</b>		3,548
iii) Amount remitted during the year in Indian Rupees on account of dividend		<b>5,352</b>		7,096

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

f) Detailed information about goods manufactured and traded in :

<b>Particulars</b>	<b>Refractory</b>	<b>Calcined Bauxite</b>
Licensed Capacity	N.A.	N.A.
Installed Capacity (MT)*	<b>107100</b>	<b>24000</b>
(As certified by the management)	(115200)	(24000)
Production (MT)	<b>72693**</b>	<b>7537***</b>
	(78403)	(7888)
Sales (MT)	<b>28745</b>	<b>2987</b>
	(35859)	(2135)
Sales (Rs. Lacs)	<b>6069.00</b>	<b>243.75</b>
	(7465.00)	(202.63)
Self Consumption (MT)	<b>268</b>	-
	(329)	(-)
Self Consumption (Rs. Lacs)	<b>25.03****</b>	-
	(37.59)	(-)
Inter Unit Transfer (MT)	<b>184</b>	<b>4421</b>
	(70)	(6547)
Inter Unit Transfer (Rs. Lacs)	<b>40.30</b>	<b>216.86</b>
	(22.40)	(418.91)
Opening Stock (MT)	<b>3712</b>	<b>1317</b>
	(4519)	(2111)
Opening Stock (Rs. Lacs)	<b>635.96</b>	<b>104.51</b>
	(649.87)	(144.64)
Closing Stock (MT)	<b>5980</b>	<b>1446</b>
	(3712)*****	(1317)
Closing Stock (Rs. Lacs)	<b>1164.12</b>	<b>105.20</b>
	(635.96)	(104.51)
Goods Traded @		
Purchases (Rs. Lacs)	<b>651.61</b>	-
	(17.08)	(-)
Sales (Rs. Lacs)	<b>694.89</b>	-
	(22.64)	(-)

@ Goods traded are of different specifications, sizes, weights and are in large numbers. Due to voluminous data, it is not possible to give quantitative details of goods traded.

(\*) Including Capacity of leased plants **2700 MT** for part of the year (previous year 10800 MT)

(\*\*) Includes production of **41228 MT** (previous year 42846 MT) on job work basis.

(\*\*\*) Includes **2660 MT** (previous year 2106 MT) towards calcinations of clay etc.

(\*\*\*\*) Corresponding figures have been included under the relevant expenditure had and this treatment has no impact on profit/loss for the year.

(\*\*\*\*\*) Excludes 106 MT rejection due to contamination.

(Figures in brackets pertain to previous year)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013

**NOTE - 1.1 CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance of Rs.25 lacs - previous year Rs.Nil)	<b>642.17</b>	-
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**NOTE - 1.2 CONTINGENT LIABILITIES AND COMMITMENTS:**

(A) Contingent Liability exists in respect of		
i) Income Tax for which the Company has preferred appeals	-	-
ii) Income Tax for which the Income Tax Department has preferred appeals against the decisions in favour of the Company	<b>0.52</b>	0.52
iii) Other monies for which the Company is contingently liable including bank guarantees.	<b>146.67</b>	269.25
iv) Letter of credit opened by bank	<b>20.93</b>	361.65
(B) Claims against the Company not acknowledge as debt and being contested before the appropriate authorities.		
i) Excise matters	<b>34.11</b>	71.64
ii) Sales tax matters	<b>45.56</b>	35.37
iii) Other matters	<b>82.92</b>	81.14

**NOTE - 1.3**

The Company has taken on lease a refractory unit at Wankaner effective from 01.04.2011 for a period of 3 years at a lease rent of Rs.17.50 lacs per quarter with the right of purchasing the unit within a period 3 years at Rs.450 lacs. The total lease rent charged to the Statement of Profit & Loss A/c for the year is Rs.17.50 lacs. The Company has discontinued the operations and vacated the premises on 30<sup>th</sup> June, 2013.

Not later than one year	<b>N.A.</b>	17.50
Later than one year and not later than five years	<b>N.A.</b>	Nil
Later than five year	<b>N.A.</b>	N.A.

**NOTE - 1.4**

Excise duty is net of reimbursement on job work production **Rs.794.03 lacs** (previous year Rs.770.27 lacs). The sale of services includes processing charges for job work **Rs.1855.26 lacs** (previous year Rs.2053.82 lacs)



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

<b>Particulars</b>	<b>(Rs. In lacs)</b>	
	<b>As at 31<sup>st</sup> March, 2014</b>	<b>As at 31<sup>st</sup> March, 2013</b>

**NOTE - 1.5**

The following expenses have been charged to other Accounts -

Salaries, Wages and Benefits to Employees	<b>133.78</b>	143.79
---	---------------	--------

**NOTE - 1.6**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances, will, in the ordinary course of business, not be less than the amount at which they are stated in the Balance Sheet.

**NOTE - 1.7**

Company has carried out production of refractories at its Dalmiapuram Unit on job work basis and the same is being discontinued w.e.f. 01.04.2014.

**NOTE - 1.8**

Previous year figures have been regrouped and/or rearranged wherever necessary to correspond with current period figures.

**NOTE - 1.9**

All amounts including those in contingent liabilities and notes have been expressed in Rupees Lacs rounded off to the nearest thousands. Figures less than Rupees five hundred which are required to be shown separately have been shown at actuals in double bracket. Figures in Metric Tonnes have been rounded off to the nearest Metric Tonne.

**NOTE - 1.10**

As per Accounting Standard (AS)-15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting standard is given below:

## (a) Defined Contribution Plans:-

The Company has recognised an expense of **Rs.86.16 lacs** (previous year Rs.83.77 lacs) towards the defined contribution plan.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

(b) Benefit plans - as per actuarial valuation on 31<sup>st</sup> March, 2014:-

Particulars	Gratuity Funded (Rs.lacs)		Leave Encashment Non-Funded (Rs.lacs)	
	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.
I Expenses recognised in the Profit and Loss Account for the year Ended 31 <sup>st</sup> March, 2014				
1 Current Service Cost	<b>22.31</b>	23.94	<b>10.45</b>	10.39
2 Interest Cost	<b>27.19</b>	30.33	<b>6.97</b>	7.78
3 Expected return on plan assets	<b>(28.84)</b>	(31.17)	-	-
4 Net Actuarial (Gain)/Loss	<b>(6.45)</b>	(32.78)	<b>(13.94)</b>	(14.67)
5 Total Expense	<b>14.21</b>	(9.68)	<b>31.36</b>	3.50
II Net Asset/(Liability) recognised in the Balance Sheet as at 31 <sup>st</sup> March, 2014				
1 Present value of Obligation as at year-end	<b>313.40</b>	302.06	<b>88.28</b>	77.47
2 Fair Value of plan assets as at year-end	<b>311.17</b>	311.74	-	-
3 Funded status {(Surplus/(Deficit)}	<b>(2.23)**</b>	9.68*	<b>88.28</b>	77.47
4 Net Asset/(Liability) as at 31 <sup>st</sup> March, 2014	-	-	<b>(88.28)</b>	(77.47)
III Change in obligation during the year ended 31 <sup>st</sup> March, 2014				
1 Present value of Obligation at the beginning of the year	<b>302.06</b>	337.01	<b>77.47</b>	86.44
2 Current Service cost	<b>22.31</b>	23.94	<b>10.45</b>	10.39
3 Interest Cost	<b>27.19</b>	30.33	<b>6.97</b>	7.78
4 Actuarial (Gain)/Loss	<b>(6.45)</b>	(32.78)	<b>13.94</b>	(14.67)
5 Benefits paid	<b>(31.71)</b>	(56.44)	<b>(20.55)</b>	(12.47)
6 Present Value of Obligation as at year-end	<b>313.40</b>	302.06	<b>88.28</b>	77.47
IV Change in Assets during the year ended 31 <sup>st</sup> March, 2014				
1 Plan assets at the beginning of the year	<b>302.06</b>	337.01	-	-
2 Expected return on plan assets	<b>28.84</b>	31.17	-	-
3 Employer's Contribution	<b>14.21</b>	(9.68)	-	-
4 Benefits paid	<b>(31.71)</b>	(56.44)	-	-
5 Actuarial gain/(loss) on plan assets	-	-	-	-
6 Plan assets at the end of the year	<b>313.40</b>	302.06	-	-
V The major categories of plan assets as percentage of total plan Qualifying Insurance Policy	<b>100%</b>	100%	-	-
VI Actuarial Assumptions:				
1 Discount Rate	<b>9%</b>	9%	<b>9%</b>	9%
2 Expected rate of return on plan assets	<b>9.25%</b>	9.25%	-	-
3 Mortality table		LIC(94-96) duly modified		LIC(94-96) duly modified
4 Salary Escalation	<b>8%</b>	9%	<b>8%</b>	9%

**Note :** Disclosure in respect of previous four annual periods required by Accounting Standard-15 (Revised) is not presented as the management considers its impracticable in absence of requisite information.

\* Surplus not recognized in Profit & Loss Account.

\*\*Payment made for plan assets at the year end.

## DALMIA REFRACTORIES LIMITED

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014****NOTE - 1.11****Segment reporting as required by Accounting Standard-17, is as below :-****(Rs. In lacs)**

Particulars	Refractory Rs.	Calcination Rs.	Total Rs.
<b>REVENUE</b>			
1 External Sales	<b>8,955.05</b>	<b>243.75</b>	<b>9,198.80</b>
	(9,800.25)	(202.63)	(10,002.88)
2 Inter-Segment/Unit Sales	<b>40.30</b>	<b>216.86</b>	<b>257.16</b>
	(22.40)	(418.91)	(441.31)
3 Other Revenue	<b>1,709.65</b>	<b>0.23</b>	<b>1,709.88</b>
	(1,284.49)	(0.06)	(1,284.55)
4 Unallocated Corporate Revenue	-	-	<b>19.13</b>
	(-)	(-)	(8.54)
Total Segment Revenue	<b>10,705.00</b>	<b>460.84</b>	<b>11,184.97</b>
	(11,107.14)	(621.60)	(11,737.28)
<b>RESULT (Profit before interest and corporate expenses)</b>			
Segment Profit/(Loss)	<b>1,049.45</b>	<b>-199.31</b>	<b>850.14</b>
	(1,083.41)	(-36.99)	(1,046.42)
Unallocated corporate Expenses net of Unallocated corporate revenue	-	-	<b>447.85</b>
	(-)	(-)	(497.31)
Operating Profit	-	-	<b>402.29</b>
	(-)	(-)	(549.11)
Interest Expense	<b>16.89</b>	-	<b>219.87</b>
	(12.80)	(-)	(328.95)
<b>Income Taxes</b>			
Current Tax	-	-	<b>67.00</b>
	(-)	(-)	(97.20)
Deferred Tax	-	-	<b>-7.00</b>
	(-)	(-)	(-27.00)
Net Profit	-	-	<b>122.42</b>
	(-)	(-)	(149.96)
<b>OTHER INFORMATION</b>			
Assets	<b>8,878.08</b>	<b>463.16</b>	<b>9,341.24</b>
	(8,642.82)	(424.95)	(9,067.77)
Unallocated Corporate Assets	-	-	<b>914.73</b>
	(-)	(-)	(920.45)
Total Assets	-	-	<b>10,255.97</b>
	(-)	(-)	(9,988.22)
Liabilities	<b>2,717.96</b>	<b>29.12</b>	<b>2,747.08</b>
	(2,256.08)	(41.08)	(2,297.16)
Unallocated Corporate Liabilities	-	-	<b>1,772.55</b>
	(-)	(-)	(2,040.26)
Total Liabilities	-	-	<b>4,519.63</b>
	(-)	(-)	(4,337.42)
Depreciation	<b>216.66</b>	<b>10.61</b>	<b>227.27</b>
	(247.70)	(18.97)	(266.67)
Unallocated Corporate Depreciation	-	-	<b>6.69</b>
	(-)	(-)	(9.32)
Total Depreciation	-	-	<b>233.96</b>
	(-)	(-)	(275.99)
Capital Expenditure	<b>65.50</b>	-	<b>65.50</b>
	(81.31)	(-)	(81.31)
Unallocated Corporate Capital Expenditure	-	-	<b>2.88</b>
	(-)	(-)	(8.29)
Total Capital Expenditure	-	-	<b>68.38</b>
	(-)	(-)	(89.60)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

### NOTE - 1.12

Related Party Disclosures, as required by Accounting Standard - 18 is as below:

#### A. Relationships:

- (i) Subsidiary of the Company :- Shri Chamundeswari Minerals Limited till 30.03.2013.
- (ii) Promoters of the Company/Relatives of the Promoters:-  
Shri J.H. Dalmia, Shri Y.H. Dalmia, J.H. Dalmia (HUF), Y.H. Dalmia (HUF), Shri Gautam Dalmia, Shri Puneet Yadu Dalmia, Gautam Dalmia (HUF), Puneet Yadu Dalmia (HUF), Smt. Kavita Dalmia, Smt. Bela Dalmia, Smt. Anupama Dalmia, Smt. Avantika Dalmia, Kumari Shrutipriya Dalmia, Kumari Sukeshi Dalmia, Kumari Vaidehi Dalmia, Kumari Sumana Dalmia, Kumari Avanee Dalmia, Mst. Priyang Dalmia, Shri M.H. Dalmia, Smt. Abha Dalmia, Shri V.H. Dalmia.
- (iii) Enterprises controlled by the Promoters of the Company:-  
Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, OCL India Limited, ZipAhead.Com Private Limited, Alirox Abrasives Limited, Dalmia Bharat Limited (formerly Dalmia Bharat Enterprises Limited), Kanika Investment Limited, Ishita Properties Limited, Dalmia Cement (Bharat) Limited, (Formerly Avnija Properties Limited), D.I. Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Shri Rangam Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Power Limited, DCB Power Ventures Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Madhusudhana Mines and Properties Limited, Sri Trivikrama Mines & Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resorts Private Limited, Dalmia Bharat Sugar and Industries Limited (Formerly Dalmia Cement (Bharat) Limited), Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Sugar Ventures Limited, New Habitat Housing Finance and Development Ltd., Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Adhunik Cement Ltd., Adhunik MSP Cement (Assam Ltd.), Calcom Cement (India) Ltd., Vinay Cement Ltd, RCL Cements Ltd, SCL Cements Ltd., Khappal Coal Co. Pvt. Ltd., Shri Chamundeswari Minerals Ltd., Shri Yadu Hari Trusteeship Services Pvt. Ltd., YHD Trusheeship Services Pvt. Ltd., Vastalaya Developers Pvt. Ltd., Vinimay Developers Pvt. Ltd., Dalmia Bharat Cements Holdings Ltd., Sri Rangam Securities and Holdings Ltd., Shri Investments, Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Home Realtors LLP.

DALMIA REFRACTORIES LIMITED

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

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

(Rs. In lacs)

Nature of Transaction	Subsidiary Company#		Key Management Personnel		Promoter controlled enterprises		Total	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Sale of Goods and Services</b>								
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>2091.01</b>	2279.36	<b>2091.01</b>	2279.36
Adhunik Cement Ltd.	-	-	-	-	<b>40.34</b>	5.23	<b>40.34</b>	5.23
Dalmia Bharat Sugar & Industries Ltd.	-	-	-	-	<b>7.21</b>	4.07	<b>7.21</b>	4.07
OCL India Ltd.	-	-	-	-	<b>82.88</b>	0.05	<b>82.88</b>	0.05
Mayuka Investment Co. Ltd.	-	-	-	-	<b>0.13</b>	0.13	<b>0.13</b>	0.13
Ankita Pratisthan Ltd.	-	-	-	-	-	0.13	-	0.13
Alirox Abrasives Ltd.	-	-	-	-	<b>0.13</b>	0.13	<b>0.13</b>	0.13
Rama Investment Co. Ltd.	-	-	-	-	<b>0.13</b>	0.13	<b>0.13</b>	0.13
<b>Reimbursement of expenses received</b>								
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>942.14</b>	884.05	<b>942.14</b>	884.05
Dalmia Cement (Bharat) Ltd.	-	-	-	-	<b>1.63</b>	-	<b>1.63</b>	-
<b>Purchase of goods and services</b>								
Dalmia Cement (Bharat) Ltd.	-	-	-	-	<b>1.07</b>	1.19	<b>1.07</b>	1.19
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>90.50</b>	38.95	<b>90.50</b>	38.95
<b>Reimbursement of expenses Paid</b>								
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>490.94</b>	410.11	<b>490.97</b>	410.11
Dalmia Cement (Bharat) Ltd.	-	-	-	-	<b>37.59</b>	2.06	<b>37.59</b>	2.06
Dalmia Bharat Ltd.*	-	-	-	-	<b>71.08</b>	33.46	<b>71.08</b>	33.46
<b>Rent Payment</b>								
Alirox Abrasives Ltd.	-	-	-	-	<b>1.80</b>	1.80	<b>1.80</b>	1.80
Dalmia Cement (Bharat) Ltd.	-	-	-	-	<b>0.06</b>	0.06	<b>0.06</b>	0.06
Dalmia Bharat Ltd.	-	-	-	-	<b>0.21</b>	0.21	<b>0.21</b>	0.21
<b>Salary &amp; Perquisites</b>								
Dalmia Bharat Ltd.*	-	-	-	18.00	-	-	-	18.00
<b>Sale of Investments</b>								
Keshav Power Ltd.	-	-	-	-	-	5.00	-	5.00
<b>Outstanding Balance as at the year</b>								
<b>Amount (receivable)</b>								
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>278.51</b>	519.53	<b>278.51</b>	519.53
Alirox Abrasives Ltd.	-	-	-	-	<b>0.08</b>	0.07	<b>0.08</b>	0.07
OCL India Ltd.	-	-	-	-	<b>8.86</b>	-	<b>8.86</b>	-
Adhunik Cement Ltd.	-	-	-	-	<b>40.34</b>	-	<b>40.34</b>	-
<b>Amount (Payable)</b>								
Dalmia Bharat Ltd.	-	-	-	-	-	46.29	-	46.29
<b>Deposit (Payable)</b>								
Dalmia Refractories (Prop.:Dalmia Bharat Ltd.)	-	-	-	-	<b>125.00</b>	125.00	<b>125.00</b>	125.00

- # Ceases to be subsidiary w.e.f. 30.03.2013.

- \* **Rs.Nil** (Previous year Rs.18.00 lacs) paid to Dalmia Bharat Limited on account of Managing Director Services.

- For investments in above enterprises refer Note-13

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

### NOTE - 1.13

Particulars of Derivative instruments and unhedged foreign currency exposure as at Balance Sheet date:

#### Derivative Instruments

Particulars of Unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (Rs. In lacs)
Purchase of Raw Material	<b>USD 2,75,820</b>	<b>165.77</b>
	(USD 13,84,950)	(753.27)
	(Closing Rate 1USD= <b>Rs.60.10</b> )	
	(54.39)	
Purchase of Fixed Assets	Euro 724000	607.09
	Closing Rate 1Euro = 83.85	(-)
	(-)	
		<b>(Rs. In lacs)</b>

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	Rs.	Rs.

### NOTE - 1.14 - Earning per share as required by Accounting Standard (AS-20):

Profit After Taxation	<b>122.42</b>	149.96
Add/(Less) Income tax adjustments for earlier years	<u>-</u>	<u>(2.80)</u>
Profit for computation of Earning Per Share	<b>122.42</b>	147.16
Weighted Average No. of equity shares issued & subscribed	<b>31,52,084</b>	31,52,084
Basic Earning Per Share	<b>3.88</b>	4.67
Diluted Earning Per Share	<b>3.88</b>	4.67

### NOTE - 1.15 - Deferred Tax as required by Accounting Standard (AS-22):

Particulars	(Rs. In lacs)				
	As on 1 <sup>st</sup> April, 2012	Charge (Credit) Rs.	As on 1 <sup>st</sup> April, 2013	Charge (Credit) during the year Rs.	As on 31.03.2014 Rs.
<b>(A) Deferred Tax Liability</b>					
Difference between Book & Tax difference	302.00	(9.00)	293.00	<b>(3.00)</b>	<b>290.00</b>
<b>(B) Deferred Tax Assets</b>					
Disallowance u/s 43B of the Income Tax Act, 1961	<u>28.00</u>	<u>(18.00)</u>	<u>46.00</u>	<u><b>(4.00)</b></u>	<u><b>50.00</b></u>
Net Liability	<u>274.00</u>	<u>(27.00)</u>	<u>247.00</u>	<u><b>(7.00)</b></u>	<u><b>240.00</b></u>

**For S.S. KOTHARI MEHTA & CO.**

Chartered Accountants  
Firm Registration No.000756N

**KAMAL KISHORE**  
Partner

Membership No.078017  
New Delhi, May 29, 2014

C.N. Maheshwari  
Chief Executive Officer

S.K. Srivastava  
Chief Financial Officer

Shweta Chadha  
Secretary

**For and on behalf of the Board**

Deepak Thombre  
Director

P.D. Mathur  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014****(Rs. In lacs)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before Tax	182.42	220.16
Adjustments for :		
Depreciation	233.96	275.99
Write-off of Fixed Assets & Lease Money	53.10	0.01
Provision for doubtful debts and bad debts W/off	3.34	65.58
Amount written back	(11.10)	(30.18)
Loss on Sale of Fixed Assets	0.13	3.52
Loss on Sale of Investments	-	-
Profit on Sale of Fixed Assets	(36.86)	(3.20)
Profit on Sale of Investments	(0.01)	-
Interest paid	219.87	328.95
Interest received	(14.83)	(13.80)
Dividend received	(7.41)	(6.23)
Operating Profit before Working Capital changes	<u>622.61</u>	<u>840.80</u>
Adjustments for :		
Trade and Other Receivables	(162.00)	628.62
Inventories	(261.43)	502.91
Trade Payables	469.56	(309.76)
Cash Flow from Operating Activities	<u>668.74</u>	<u>1662.57</u>
Direct Taxes paid/Refunds received (Net)	(76.89)	(167.24)
Net Cash Flow from Operating Activities	<u>591.85</u>	<u>1495.33</u>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(68.38)	(89.60)
Sale of Fixed Assets	37.10	18.09
Sale of Investments	15.15	5.00
Purchase of Investments	(0.42)	(493.57)
Interest Received	14.51	13.62
Dividend	7.41	6.23
Net Cash from Investment Activities	<u>5.37</u>	<u>(540.23)</u>
<b>C. Cash Flow from Financing Activities</b>		
Issue of Share Capital	-	-
Government Subsidy credit to Capital Reserves	-	-
Secured Loans		
Long Term	(242.50)	(290.00)
Short Term	(18.27)	(474.22)
Dividend paid	(45.21)	(60.60)
Corporate Dividend Tax	(8.04)	(10.23)
Interest paid	(211.98)	(350.45)
Net Cash from Financing Activities	<u>(526.00)</u>	<u>(1185.50)</u>
<b>D. Net increase in Cash and Cash equivalents</b>		
Cash and Cash Equivalents		
Opening Balance as at 1.4.2013	106.80*	337.20*
Closing Balance as at 31.3.2014	178.02*	106.80*

\* Includes Fixed Deposit of Rs.3.43 lacs (previous year Rs.3.39 lacs) having maturity date exceeding 12 months.

**For S.S. KOTHARI MEHTA & CO.**Chartered Accountants  
Firm Registration No.000756N**KAMAL KISHORE**  
PartnerMembership No.078017  
New Delhi, May 29, 2014C.N. Maheshwari  
Chief Executive OfficerS.K. Srivastava  
Chief Financial OfficerShweta Chadha  
Secretary**For and on behalf of the Board**Deepak Thombre  
DirectorP.D. Mathur  
Director

# Dalmia Refractories Limited

(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

## Corporate Office

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[www.dalmiarefractories.com](http://www.dalmiarefractories.com)

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