

## DIRECTORS' REPORT

Your Directors hereby present the Forty Second Annual Report together with audited financial statements for the year ended 31<sup>st</sup> March, 2015.

### Financial Results

	<b>2014-15</b>	2013-14
	<b>(Rs.in lacs)</b>	(Rs.in lacs)
<b>GROSS REVENUE</b>	<b>18909</b>	10828
<b>Profit before Interest, Depreciation and Tax (EBITDA)</b>	<b>144</b>	636
Interest	<b>361</b>	220
Depreciation	<u><b>324</b></u>	<u>234</u>
<b>Profit before Tax (PBT)</b>	<b>(541)</b>	182
Provision for Current tax	-	(67)
Provision for deferred tax (Net of due to change in Depreciation as per Companies Act, 2013)	<u><b>(156)</b></u>	<u>7</u>
<b>Profit after tax (PAT)</b>	<b>(385)</b>	122
Tax adjustment of earlier year	<b>8</b>	-
Add: Surplus brought forward from last year	<u><b>4043</b></u>	<u>3968</u>
<b>Profit available for appropriation</b>	<b>3666</b>	4090
<b>Appropriations :</b>		
General Reserve	<b>10</b>	10
Dividend	<b>16</b>	32
Dividend Distribution tax	<u><b>3</b></u>	<u>5</u>
<b>Balance Carried Forward</b>	<u><b>3637</b></u>	<u>4043</u>

### DIVIDEND

Considering the accumulated surplus and future prospects, your Directors are pleased to recommend a final dividend of Re. 0.50 per equity share of face value of Rs.10/- each for the year ended 31<sup>st</sup> March, 2015, for approval by the shareholders at the forthcoming Annual General Meeting.

### OPERATIONS AND FUTURE OUTLOOK

The year witnessed a sluggish market scenario with few new projects coming up. In spite of the adverse conditions, the Company has not only been able to sustain, but has also been able to increase the business volume and achieve positive earnings before interest, depreciation and tax (EBITDA). However, the increase in total cost could not be recovered in full, hence the operational results are negative.

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.

During the year, there has been no change in the nature of business of the Company. The Company has no subsidiary or associated Company therefore disclosures in this regard has not been provided in this Report.

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

### Dalmiapuram Works

	<u><b>FY 15</b></u>	<u><b>FY 14</b></u>
Production (MT)	<b>40895</b>	41228*
Despatches (MT)	<b>37761</b>	-

\*The production of refractories during the year 2013-14 were in respect of the orders received from Dalmia Refractories (a division of Dalmia Bharat Limited) pursuant to the Job work arrangement between the Company and Dalmia Bharat Limited. However, as reported earlier, the said arrangement has been discontinued w.e.f 1<sup>st</sup> April 2014.

**Khambalia Works**

	<u>FY 15</u>	<u>FY 14</u>
Production (MT)	<b>31686</b>	25705
Despatches (MT)	<b>33285</b>	23274

**Katni Unit**

	<u>FY 15</u>	<u>FY 14</u>
Production (MT)	<b>9647</b>	5760
Despatches (MT)	<b>9567</b>	5923

**INDUSTRIAL RELATIONS**

Industrial relations at all the units of the Company remained harmonious and 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 provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company. However, the Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby areas, where the Company's plants are located.

**LISTING OF SECURITIES**

During the year, the Securities of the Company were listed at Calcutta Stock Exchange, Delhi Stock Exchange and Madras Stock Exchange. However, Securities and Exchange Board of India (SEBI) vide its order dated 19<sup>th</sup> November, 2014 derecognized Delhi Stock Exchange and had also passed exit orders dated 14<sup>th</sup> May, 2015 against Madras Stock Exchange, which had sought voluntary exit from the stock exchange activities. Now, the Company continues to remain listed at Calcutta Stock Exchange for which the annual listing fees has been paid for the year 2015-16.

Also, consequent to voluntary exit of Madras Stock Exchange from stock exchange business, the agreement between National Stock Exchange and the said exchange had been discontinued and therefore, the shares of the Company are no more being traded on the trading platform of National Stock Exchange.

**DISCLOSURE**

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status of the Company and Company's operations in future.

**CORPORATE GOVERNANCE**

As required under Clause 49 of the listing agreement entered with the Stock Exchanges, a separate Report on the Corporate Governance practices followed by the Company have been annexed to and forms the part of this Report. The Auditors' Certificate confirming compliance of Corporate Governance Code is also attached as annexure and forms part of this report.

**DEPOSITS**

During the year, the Company has not accepted deposits from public.

**EXTRACT OF ANNUAL RETURN**

As per provisions of Section 134 of the Companies Act 2013, the details forming part of the extract of the Annual Return is attached to this Report as 'Annexure I' in Form MGT 9.

**DIRECTORS**

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Smt. Leena Rawal as Woman (Additional) Director w.e.f. 31<sup>st</sup> March, 2015, pursuant to the provisions of Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges. In terms of section 161(1) of the Act, Smt. Leena Rawal shall hold office upto ensuing Annual General Meeting of the Company. The Company has received a requisite notice in writing from a member proposing the candidature of Smt. Leena Rawal for appointment as Director whose period of office shall be liable to retire by rotation.

Shri C. Nagaratnam, Director retires by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and offers himself for re-appointment.

The above named Directors have furnished their respective declarations in Form DIR-8 pursuant to the provisions of section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year, the members approved the appointment of Shri N. Gopalaswamy, Shri P.D. Mathur and Shri M.K. Doogar as Independent Directors who are not liable to retire by rotation.

Further, all Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

### **NUMBER OF MEETINGS OF THE BOARD**

During the year, four Meetings of the Board and one meeting of Independent Directors were convened and held. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days. The details of such meetings are given in the Corporate Governance Report annexed to this Report.

### **COMMITTEES**

During the year under review, your Directors have constituted/reconstituted the following Committees of the Board in accordance with the requirements of the Companies Act, 2013 and Listing Agreement. The composition, terms of reference and other details of all Board level Committees have been elaborated in the Corporate Governance Report annexed to this Report.

#### **AUDIT COMMITTEE**

The Committee comprises of four Non-Executive Directors as its members with Independent Directors forming a majority. The Chairman of the Committee is an Independent Director. The Audit Committee assist the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. During the year, there were no such instances where the Board had not accepted the recommendation of the Audit Committee.

In order to ensure that activities of the Company and its employees are conducted in a fair and transparent manner, the Company has adopted a **Whistle Blower Policy & Vigil Mechanism**. The details of which are available on the Company's website "www.dalmiarefractories.com".

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Committee comprises of four Non-Executive Directors as its members out of which two are Independent Directors. The Chairman of the Committee is an Independent Director.

The Board had on the recommendation of the Nomination and Remuneration Committee framed the Nomination and Remuneration Policy to comply with the provisions of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The Company's Nomination and Remuneration Policy has been annexed as 'Annexure II' of this Report and is also available at the Company's website.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Committee comprises of three Non-Executive Directors as its members. The Stakeholders' Relationship Committee considers and resolves the grievances of the security holders of the Company.

#### **RISK MANAGEMENT COMMITTEE**

The Committee comprises of three Non-Executive Directors as its members. The Committee has been entrusted with the responsibility to assist the Board in framing, implementing and monitoring the risk management plan for the Company.

The Company has long been following the principle of risk minimization, which now has become mandatory. Therefore, in accordance with the statutory requirements, risk assessment and minimization procedures were discussed and besides formulation of appropriate strategies, steps are being taken for mitigating inherent risks in Business.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance and that of the directors individually. The Directors have diverse qualification and experiences in the field of finance, accounts, engineering, legal etc which makes the Board as a whole effective and efficient. The Board has also evaluated the adequacy of composition and working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee. The performance evaluation of the Non-executive Directors was carried out by the Independent Directors and the performance evaluation of Independent Directors was carried out by the entire Board. The evaluation of every Director's performance was based on parameters such as level of engagement, contribution in terms of improving business performance etc. as laid down in the Nomination & Remuneration Policy of the Company.

**KEY MANAGERIAL PERSONNEL**

Shri C.N. Maheshwari, Chief Executive Officer and Shri Sudhir Kumar Srivastava, Chief Financial Officer held the respective positions in terms of listing agreement entered with the Stock exchanges and have been designated as Key Managerial Personnel in terms of Section 203 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 w.e.f. 29<sup>th</sup> May, 2014.

Ms. Akansha Jain was appointed as Company Secretary in terms of section 203 of the Companies Act, 2013 effective from 26<sup>th</sup> August, 2014.

**CEO/CFO REPORT ON ACCOUNT**

As required under Clause 49 of the Listing Agreement, the CEO/CFO's Annual certification of financial reporting and Internal controls is attached in this report.

**AUDITORS & AUDITORS' REPORT****STATUTORY AUDITORS**

M/s. S.S. Kothari Mehta & Co., Chartered Accountants, were re-appointed as Statutory Auditor of the Company to hold office for a period of three years effective from the conclusion of last Annual General Meeting of the Company held on 12<sup>th</sup> August, 2014 in accordance with the provisions of Section 139 of the Companies Act, 2013 subject to ratification by the members at every Annual General Meeting. A certificate to the effect that their re-appointment, if made, would be within the prescribed limits under the Act has been obtained.

The notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain qualification, reservation or adverse remark.

**COST AUDITORS**

M/s. HMVN & Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to conduct the audit of the cost accounting records of specified products for the year ended 31<sup>st</sup> March, 2015 in accordance with the Section 148 of the Companies Act, 2013 read with Companies (Cost Accounting Records) Rules, 2011. However, with the notification of 'Cost Records and Audit' Rules, 2014 effective from 30<sup>th</sup> June, 2014 and amendments thereof, cost audit is not applicable to the Company.

**SECRETARIAL AUDIT**

Secretarial Audit was conducted during the year by the Secretarial Auditor, Shri N.C. Khanna, Practicing Company Secretary, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report has been annexed as 'Annexure III' of this Report. There are no disqualifications or observations or remarks made by the Secretarial Auditor in the Report.

Shri N. C. Khanna, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for the financial year 2015-16.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control commensurate with the size of the Company and nature of its Business which are reviewed periodically.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any loans, directly or indirectly, to any person or to other body corporates or given any guarantee or provided any security in connection with a loan to any other body corporate or person. The Details of Investments made by

## **CONTRACTS AND ARRANGEMENTS**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company.

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

The particulars as prescribed under sub-section(m) of Section 134(3) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given in Annexure-A which forms part of the Directors' Report.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the employees drawing remuneration in excess of the limits set out in the said rules are NIL.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed as 'Annexure IV' of this Report.

Your Directors further state that during the year under review, there were no cases filed pursuant to Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

## **ACKNOWLEDGMENT**

The Directors also take this opportunity to place on record their sincere thanks and appreciation to the Bankers 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  
Dated: May 21, 2015

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

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

**ANNEXURE-A****Prescribed Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo****CONSERVATION OF ENERGY**

- (a) Energy Conservation Measures taken :-
- (i) Additional Static Capacitors in various equipments to improve the power factor and reduce the KVA demand.
  - (ii) Multiple switches were fixed to avoid unnecessary usage of lights, when it is not required.
  - (iii) Adhering to proper energy management to prudently utilize the various equipments and load management enabling to get a lower specific power consumption per tonne of production.
  - (iv) LED lamps are installed in place of high power consuming tube lights and use of natural light in day time.
- (b) Additional investments and proposals, if any being implemented for reduction in consumption of energy:-
- (i) Replacement of T8 lamps with T5 lamps and LED light fittings.
  - (ii) Energy efficient motors are being used in the place of old motors.
- (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>51.28</b>	43.47
Total Amount	(Rs.in lacs)	<b>376.32</b>	323.25
Rate/Unit	(Rs./Unit)	<b>7.34</b>	7.44
b) Own Generation			
i) Through Diesel Generator			
Units	(In lacs)	<b>3.50</b>	6.59
Unit per Ltr.	(Unit/Ltr.)	<b>3.38</b>	3.39
Rate/Unit	(Rs./Unit)	<b>16.81</b>	17.55
Total Amount	(Rs.in Lacs)	<b>58.79</b>	115.65
ii) Through Steam Turbine/Generator		<b>NIL</b>	NIL
<b>2. COAL (Steam Coal, Leco, RB Chips, Petroleum coke)</b>			
Quantity	(MT)	<b>12255</b>	5499
Total Cost	(Rs.in lacs)	<b>1191</b>	490
Average Rate	(Rs./MT)	<b>9717</b>	8917
<b>3. LDO</b>			
Quantity	(KL)	<b>1.10</b>	43
Total Amount	(Rs.in lacs)	<b>0.48</b>	18.79
Average Rage	(Rs./KL)	<b>43493</b>	43493
<b>4. FURNACE OIL</b>			
Quantity	(KL)	<b>29.97</b>	1.97
Total Amount	(Rs.in lacs)	<b>15.93</b>	1.04
Average Rate	(Rs./KL)	<b>53166</b>	52861

**B. CONSUMPTION PER UNIT OF PRODUCTION**

PRODUCTS	Standard (If any)	REFRACTORY		CALCINED BAUXITE	
		Current Year	Previous Year	Current Year	Previous Year
Electricity (Unit/MT)	-	61	66	34	27
Coal/Pet Coke (Kgs/MT)	-	112	112	231	261
LDO (Ltrs/MT)	-	-	-	0.08	5.73
Furnace Oil (Ltrs/MT)	-	3.11	0.34	-	-

**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.**

- Alumina bricks with different contents of Silicon Carbide for application in different zones of cement rotary kiln.
- Graphite/Carbon based castables for Trough Management.

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

- New Customers are developed.
- Better contributions.
- Import substitution.

**3. Future plan of action.**

- HA blast furnace bricks are being developed.
- Steel plant continuous casting castables are being developed.

**4. Expenditure on R & D.**

S.No.	Particulars	Rs.(in lacs)
a.	Capital	2.02
b.	Recurring and Others	35.27
c.	Total	37.29
d.	Total R & D expenditure as a percentage of total turnover	0.21

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:****1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

As per Form B of the Annexure.

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

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

**3. No technology has been imported in the last three years.****FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars of foreign exchange earned/utilised are given in note 30 to the Accounts.

**ANNEXURE-I****Form No. MGT-9****Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March, 2015 of  
Dalmia Refractories Limited**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L24297TN1973PLC006372
- ii) Registration Date: 21/06/1973
- iii) Name of the Company: DALMIA REFRACTORIES LIMITED  
(Formerly Shri Nataraj Ceramic and Chemical Industries Limited)
- iv) Category/Sub-Category of the Company: Public Company Limited by shares
- v) Address of the Registered Office and contact details: Dalmiapuram, P.O. Kallakudi, Tiruchirapalli, Tamil Nadu-621 651,  
Tel.No.: 04329-235133/144/155  
E-mail: snccl@dalmiarf.com  
Website: www.dalmiarefractories.com
- vi) Whether listed Company: Yes  
Yes / No
- vii) Name, Address and Contact details of Registrar and Transferor Agent: Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,  
Nanakramguda, Hyderabad-500 032  
Tel.No.:040-67161500; Fax: 040-23001153,  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of Main Products/Services	NIC Code of the Product/Service*	% to total turnover of the Company.
1	Manufacture & sale of Refractories; Castables and Mortars	2391	85%

Note: As per National Industrial Classification - Ministry of Statistics and Programme Implementation

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
N O N E					



#### IV. SHARE HOLDING PATTERN

##### (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2043527	-	2043527	64.83	2043527	-	2043.527	64.83	-
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	<b>2043527</b>	<b>-</b>	<b>2043527</b>	<b>64.83</b>	<b>2043527</b>	<b>-</b>	<b>2043527</b>	<b>64.83</b>	<b>-</b>
<b>(2) Foreign</b>									
a) Individuals (Non-resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
e) Qualified foreign investor	-	-	-	-	-	-	-	-	-
f) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Shareholding of Promoter and promoter Group <b>(A)=(A)(1)+(A)(2)</b>	<b>2043527</b>	<b>-</b>	<b>2043527</b>	<b>64.83</b>	<b>2043527</b>	<b>-</b>	<b>2043527</b>	<b>64.83</b>	<b>-</b>

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions/Banks	36	1226	1262	0.04	-	1226	1226	0.04	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified foreign Investor	-	-	-	-	-	-	-	-	-
j) Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>36</b>	<b>1226</b>	<b>1262</b>	<b>0.04</b>	<b>-</b>	<b>1226</b>	<b>1226</b>	<b>0.04</b>	<b>-</b>
<b>2) Non-institutions</b>									
a) Bodies Corporate									
i) Indian	9177	7627	16807	0.53	29667	7627	37294	1.18	0.65
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals-									
i) Individuals share-holders holding Nominal share Capital upto Rs.1 lakh	341190	323781	664971	21.10	340796	308393	649189	20.6	0.5
ii) Individual share-holders holding Nominal share Capital in excess of Rs.1 lakh	421291	-	421291	13.37	418472	-	418472	13.28	0.09
c) Others (specify)									
Directors	-	156	156	-	-	58	58	-	-
Non Resident Indians	2650	618	3268	0.10	1650	618	2268	0.07	0.03
Clearing Members	755	-	755	0.02	-	-	-	-	0.02
Trusts	50	-	50	-	50	-	50	-	-
Qualified foreign investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>775113</b>	<b>332182</b>	<b>1107295</b>	<b>35.13</b>	<b>790635</b>	<b>316696</b>	<b>1107331</b>	<b>35.13</b>	<b>-</b>
<b>Total Public Share-holding (B)=(B)(1)+(B)(2)</b>	<b>775149</b>	<b>333408</b>	<b>1108557</b>	<b>35.17</b>	<b>790635</b>	<b>317922</b>	<b>1108557</b>	<b>35.17</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>2818676</b>	<b>333408</b>	<b>3152084</b>	<b>100</b>	<b>2834162</b>	<b>317922</b>	<b>3152084</b>	<b>100</b>	<b>-</b>
<b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2818676</b>	<b>333408</b>	<b>3152084</b>	<b>100</b>	<b>2834162</b>	<b>317922</b>	<b>3152084</b>	<b>100</b>	

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			
		No. of Shares	% of total shares of The company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in shareholding during the year.
1.	Mayuka Investment Limited	614396	19.49	-	614396	19.49	-	-
2.	Ankita Pratisthan Limited	402091	12.76	-	402091	12.76	-	-
3.	Sita Investment Company Limited	312300	9.91	-	312300	9.91	-	-
4.	Alirox Abrasives Limited	247187	7.84	-	247187	7.84	-	-
5.	Rama Investment Company Pvt. Ltd.	176728	5.61	-	176728	5.61	-	-
6.	Valley Agro Industries Ltd.	138779	4.40	-	138779	4.40	-	-
7.	Shree Nirman Ltd.	114501	3.63	-	114501	3.63	-	-
8.	Himgiri Commercial Limited	37235	1.18	-	37235	1.18	-	-
9.	Puneet Trading & Investment Co. Pvt. Ltd.	310	0.01	-	310	0.01	-	-
<b>Total</b>		<b>2043527</b>	<b>64.83</b>	<b>-</b>	<b>2043527</b>	<b>64.83</b>	<b>-</b>	<b>-</b>

Note: Shareholders listed above are disclosed as Promoters/Promoter group under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**iii) Change in Promoter's Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2043527	64.83	-	-
Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ Transfer/bonus/sweat equity)	No Change in Shareholding during the year			
At the end of the year	<b>2043527</b>	<b>64.83</b>	<b>-</b>	<b>-</b>

**iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mahendra Girdharilal Wadhawani</b>				
	a) At the beginning of the year	183886	5.83	183886	5.83
	b) Changes during the year				
	Date				
	Reason				
	11.07.2014				
	Sale	(2024)	(0.06)	181862	5.76
	18.07.2014				
	Sale	(795)	(0.02)	181067	5.74
	c) At the end of the year			181067	5.74
<b>2.</b>	<b>Vallabh Roopchand Bhanshali</b>				
	a) At the beginning of the year	-	-	-	-
	b) Change during the year	116500	3.70	116500	3.70
	Date				
	Reason				
	27.03.2015				
	Purchase				
	c) At the end of the year		3.70	116500	3.70
<b>3.</b>	<b>Saral Bhanshali</b>				
	a) At the beginning of the year	174739	5.54	174739	5.54
	b) Changes during the year	(116500)	(3.69)	58239	1.85
	Date				
	Reason				
	27.03.2015				
	Sale				
	c) At the end of the year			58239	1.85
<b>4.</b>	<b>Anil Kumar Goel</b>				
	a) At the beginning of the year	19421	0.62	19421	0.62
	b) Changes during the year		No change during the year		
	c) At the end of the year			19421	0.62
<b>5.</b>	<b>Tehmina Kali Cawasji</b>				
	a) At the beginning of the year	16400	0.52	16400	0.52
	b) Changes during the year		No change during the year		
	c) At the end of the year			16400	0.52
<b>6.</b>	<b>Bhavna Govindbhai Desai j/w Govindbhai Baldev Desai</b>				
	a) At the beginning of the year	14273	0.45	14273	0.45
	b) Changes during the year		No change during the year		
	c) At the end of the year			14273	14273
<b>7.</b>	<b>Govindbhai Baldev Desai j/w Bhavna Govindbhai Desai</b>				
	a) At the beginning of the year	12572	0.4	12572	0.4
	b) Changes during the year		No change during the year		
	c) At the end of the year			12572	0.4
<b>8.</b>	<b>Siyat Holding Private Limited</b>				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year				
	Date				
	Reason				
	31.10.2014				
	Purchase	3000	0.09	3000	0.09
	07.11.2014				
	Purchase	3500	0.11	6500	0.20
	14.11.2014				
	Purchase	1500	0.04	8000	0.25
	21.11.2014				
	Purchase	800	0.02	8800	0.27
	05.12.2014				
	Purchase	1200	0.03	10000	0.32
	c) At the end of the year			10000	0.32
<b>9.</b>	<b>Shreekant Phumbhra</b>				
	a) At the beginning of the year	10000	0.32	10000	0.32
	b) Changes during the year		No change during the year		
	c) At the end of the year			10000	0.32
<b>10.</b>	<b>Chandravadan Desai</b>				
	a) At the beginning of the year	8900	0.28	8900	0.28
	b) Changes during the year		No change during the year		
	c) At the end of the year	8900	0.28	8900	0.28

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>For each of Directors and KMP</b>				
<b>1. Shri N. Gopaldaswamy, Director</b>				
At the beginning of the year	18	0.0006	18	0.0006
Changes during the year		No change during the year		
At the end of the year			18	0.0006
<b>2. Shri C. Nagaratnam, Director</b>				
At the beginning of the year	138	0.0043	138	0.0043
Change during the year	(98)	(0.0031)	40	0.0013
Date	Reason			
30.06.2014	Sale			
At the end of the year			40	0.0013
<b>3. Shri C.N. Maheshwari, Chief Executive Officer</b>				
At the beginning of the year	0	0	0	0
Change during the year	58	0.0018	58	0.0018
Date	Reason			
30.06.2014	Purchase			
At the end of the year			58	0.0018

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accure but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2014)</b>				
i) Principal Amount	1459.99	-	-	1459.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.38	-	-	21.38
<b>Total (i+ii+iii)</b>	<b>1481.37</b>	<b>-</b>	<b>-</b>	<b>1481.37</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	485.00	-	-	485.00
• Reduction	220.00	-	-	220.00
<b>Net change</b>	<b>265.00</b>	<b>-</b>	<b>-</b>	<b>265.00</b>
<b>Indebtedness at the end of the financial year (31.03.2015)</b>				
i) Principal Amount	4370.21	-	-	4370.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.68	-	-	23.68
<b>Total (i+ii+iii)</b>	<b>4383.94</b>	<b>-</b>	<b>-</b>	<b>4383.94</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
<b>1.</b>	<b>Gross Salary -</b>	-	-
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
<b>2.</b>	<b>Stock Option</b>	-	-
<b>3.</b>	<b>Sweat Equity</b>	-	-
<b>4.</b>	<b>Commission</b>	-	-
	- as % of Profit		
	- others, specify		
<b>5.</b>	<b>Others, please specify</b>	-	-
	<b>Total (A)</b>	-	-
	Ceiling as per the Act	-	-

Note: The Company do not have any Managing Director, Whole Time Director and/or Manager

**B. REMUNERATION TO OTHER DIRECTORS: (Rs.in lacs)**

Particulars of Remuneration	Name of the Director			Total Amount
<b>Independent Directors</b>	<b>Shri N. Gopalaswamy, Shri M.K. Doogar, Shri P.D. Mathur</b>			
• Fee for attending Board & Committee Meetings	0.50	0.15	0.53	1.18
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>0.50</b>	<b>0.15</b>	<b>0.53</b>	<b>1.18</b>
<b>Other Non-Executive Directors</b>	<b>Shri Deepak Thombre</b>	<b>Shri C. Nagaratnam</b>	<b>Smt. Leena Rawal*</b>	
• Fee for attending Board & Committee Meetings	0.35	0.25	-	0.60
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>0.35</b>	<b>0.25</b>	<b>-</b>	<b>0.60</b>
<b>Total (B)=(1+2)</b>				<b>1.78</b>
<b>Total Managerial Remuneration (A+B)</b>				<b>1.78</b>
Overall Ceiling as per the Act	-	-	-	-

Note: The Directors have been paid remuneration for the financial year 2014-15 by way of sitting fees, which is within the limits prescribed under the provisions of Companies Act, 2013.

\* Smt. Leena Rawal has been appointed as an Additional Director w.e.f. 31.03.2015.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**  
(Rs.in lacs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross Salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	1.48	26.07	27.55
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	0.08	0.08
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>71.29*</b>	<b>1.48</b>	<b>26.15</b>	<b>27.63</b>

\* Being reimbursed to Dalmia Bharat Limited for the Services of Shri C.N. Maheshwari, Chief Executive Officer.

Note: Figures are for complete financial year 2014-15 in respect of CEO & CFO and w.e.f. 26<sup>th</sup> August, 2014 in respect of CS.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act.	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

**ANNEXURE II****NOMINATION AND REMUNERATION POLICY**

- 1) **Objective:** This Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder, and the amended Clause 49(IV) of the Listing Agreement.
- 2) **Definitions:**
  - a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
  - b. "Board" means the Board of Directors of the Company.
  - c. "Directors" means the Directors of the Company as may be appointed from time to time.
  - d. "Independent Director" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in **S.149(6)** of the Companies Act, 2013.
  - e. "Key Managerial Personnel" (KMP) means the following persons as defined in **S.2(51)** of the Companies Act, 2013 and (i) Managing Director or Manager or Chief Executive Officer; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (v) such other officer as may be prescribed.
  - f. "Senior Management Persons" (SMP) means the following persons, as defined in **Explanation to S.178(8)** of the Companies Act, 2013, being personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including all Business unit heads.
- 3) **Constitution of the Committee and matters relating thereto:**
  - (a) Constitution:
    - (i) The Committee shall consist of minimum 3 Non-Executive Directors, out of which not less than one half shall be Independent Director.
    - (ii) Minimum two members shall constitute a quorum for the meeting.
    - (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.
    - (iv) The Chairman of the Committee shall be an Independent Director.
    - (v) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.
    - (vi) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.
  - (b) Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required.
  - (c) Secretary:

The Company Secretary of the Company shall act as the Secretary of the Committee.
  - (d) Procedure to be followed in meetings of the Committee:
    - (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at the meeting or when his or her own performance is being evaluated.
    - (ii) All matters shall be decided by a majority of votes cast by the members present and such decision shall for all purposes be treated as the decision of the Committee. In case of equality of votes, the Chairman shall have the casting vote.
    - (iii) Head HR or a representative nominated by him may be invited at the meetings of the Committee to provide clarifications, if any, sought by the Committee.
    - (iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.
    - (v) Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.



**4) Role of the Committee:**

The Committee shall :-

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director. [S.178(3), Clause 49(IV)(B) of Listing Agreement]
- (b) Recommend to the Board, a Policy relating to Remuneration of Directors, KMPs, and other employees. [S.178(3)]. This Policy has to be disclosed in the Board's Report [S.178(4)]. As per S.178(4), while formulating this policy, Committee has to ensure that:-
  - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,
  - (ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,
  - (iii) Remuneration to Directors, KMPs, and SMP, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.
- (c) Carry out evaluation of every Director's performance [S.178(2)]
- (d) Devise a policy on Board Diversity. [Clause 49(IV)(B)(3) of Listing Agreement]
- (e) Identify persons who are qualified to become Directors, and who may be appointed as KMPs/SMPs in accordance with the criteria laid down in this policy. [S.178(2)]
- (f) Recommend to the Board the appointment and removal of KMPs and SMPs, in accordance with the criteria laid down. [S.178(2)].

**5) Policy on Remuneration:**

- (a) Directors (including MDs and WTDs):
  - (i) It would have to be within the ceiling as may be prescribed by law from time to time.
  - (ii) It would have to be with such approvals as may be prescribed by law.
  - (iii) In case of MDs/WTDs, it shall involve a balance between fixed and incentive pay, reflecting short term and long term performance objectives.
  - (iv) In case of non WTDs, total remuneration payable in accordance with law, be distributed amongst themselves, keeping in view (a) Responsibilities (e.g. Chairmanship/Membership of important committees), (b) Tenure on the Board, (c) Devoting of time outside Board meetings, for Company's work etc, as may be decided by the Board.
- (b) KMPs and other employees:
  - (i) It would be based on Total Cost to Company (TCTC) concept. Within this TCTC, it could be made flexible, as per the needs of employees, in a fair and transparent manner.
  - (ii) It would be in compliance with laws and regulations.
  - (iii) The level and composition of remuneration would be reasonable and sufficient to attract, retain and motivate to run the Company successfully and to meet performance benchmark

**6) Policy on Board Diversity**

The Board would comprise of persons having diverse qualifications, experience and exposure in any area including but not limited to finance, accounts, human relations, marketing, selling, administrative, engineering, economic, legal, tax and manufacturing functions. All Board appointments are made on merit, in the context of skill, experience, independence and knowledge which the Board as a whole requires to be effective.

The Articles of the Company provide for a minimum number of 3 Directors and a maximum number of 12. The size and composition of the Board is to be determined within these parameters.

The Board shall comprise of one-third of its strength being independent Directors, where the Chairman of the Board/Company is an Non-Executive Chairman. However, the Chairman is an Executive Chairman, one half strength of the Board shall comprise of independent Directors.

Vacancies in the Board caused due to death, resignation or otherwise shall be filled in within a period of six months unless the Board resolves not to do so.

It shall be necessary to have one woman Director on the Board.

**7) Criteria for determining qualifications, positive attributes and independence of Directors:**

- (a) Criteria for determining independence would be as laid down in **S.149(6)** of the Act.
- (b) No academic qualification is envisaged, but should be able to contribute positively to the deliberations at Board Meeting.
- (c) The candidate to be appointed as an Independent Director shall be at least 21 years of age. All persons being appointed as Directors shall possess a Directors Identification Number (DIN).
- (d) A person shall not be appointed as a Director if he is disqualified under section 164 of the Companies Act, 2013.
- (e) The term of office for Executive Directors can be maximum 5 years at a time. This can be renewed for further periods of time.
- (f) The term of office of independent Directors will be for a such period as may be determined by the Board subject to a maximum term of 5 years and can be renewed thereafter for a further period of 5 years by passing a Special Resolution. Thereafter there has to be a minimum 3 year cooling off period before which the persons appointment as an independent Director can be considered.

**8) Criteria for identifying persons for appointment as Key Managerial Personnel's:-**

- (a) Should fulfill the Job Description, for the relevant position, as may be in force from time to time.
- (b) Should clear the Dalmia BEI (Behavioural Evaluation Interview).

**9) Evaluation of every Director's performance:**

- (a) % attendance at Board Meetings.
- (b) Participation in discussions.
- (c) Preparedness for Board Meetings, by reading of the relevant papers.
- (d) Contribution in terms of improving Business performance.
- (e) Proactive availability for Company's business, besides Board meetings.

The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on a process of evaluation, etc, and the cost of such professional shall be borne by the Company.

**10) General:**

- (a) The persons selected for the positions of Key Managerial Personnel should have the desired qualifications, expertise and experience for the position he/she is considered for appointment. The Committee shall have the discretion to decide whether the qualifications, expertise and experience possessed by a person is sufficient for the concerned position. The Committee shall approve the selection of candidates to the position of Key Managerial Personnel and recommend to the Board, his or her appointment.
- (b) The appointments of Senior Management Personnel shall be done by the HR department, who shall keep the Committee informed of such appointments from time to time. Provided however that the appointment of a person to the level of a Senior Managerial Personnel can be got ratified by the Company by getting the position cleared by the Nomination & Remuneration Committee within a period of 4 months from the date of initial appointment.
- (c) The Committee shall not recommend the appointment of or continuation of appointment of any person to the position of a Managing Director and Whole-time Director or Manager who has attained the age of seventy years. In event it is decided by the Committee to breach the above age limit, the Committee shall make such recommendation subject to approval of shareholders by way of a Special Resolution.[Sec 196(3)(a) and proviso thereto]
- (d) Term/Tenure of appointment of Directors, etc.:
  - i) Managing Director/Manager/Whole-time Director:  
The term of appointment or re-appointment of any person as a Managing Director/Whole-time Director or Manager shall not exceed five years at a time. The re-appointment shall not be made earlier than one year before the expiry of the current term of appointment. [Sec 196(3)]

(ii) Independent Directors:

An Independent Director shall hold office for a term upto five consecutive years and can be reappointed on passing of a Special Resolution by the Shareholders of the Company for a further term of five years. [Sec 149(10)].

No Independent Director shall hold office for more than two consecutive terms. An Independent Director who has completed the two consecutive terms of appointment of five years each, can however be appointed as an Independent Director after the expiry of three years of his ceasing to become an Independent Director provided he otherwise qualifies for being appointed as an Independent Director. [Sec 149(11)].

At the time of appointment of an Independent Director it should be ensured that he is not an Independent Director of more than seven listed companies. If however, the Independent Director is serving as a Whole-time Director of a listed company, then it should be ensured that he is not an Independent Director of more than three listed companies. [Clause 49(ii)(B)(2) of Listing Agreement].

(iii) Key Managerial Personnel:

The term of appointment for the positions of Key Managerial Personnel, shall be determined by the Nomination and Remuneration Committee at its own discretion and may vary from position to position.

(e) Evaluation of Key Managerial Personnel and person in Senior Management Persons:

The Committee shall go through the recommendations of the evaluations by the HR Department of the persons holding Key Managerial Personnel (excluding the Managing Director and Whole time Director) and approve the same with or without modifications. The evaluation of the Senior Management Personnel shall be done by the HR department in accordance with the Company's HR policies as existing from time to time.

(f) Removal:

The Committee may recommend to the Board with reasons recorded in writing the removal of a Director, Key Managerial Personnel for reasons of misconduct or negligence of duties.

A Director can be removed from his office if the shareholders pass an ordinary resolution pursuant to the provisions of section 169 of the Companies Act, 2013.

A Director shall also be required to continue to qualify as a Director in terms of a section 164 of the Act and is not liable to vacate his office in terms of section 167 of the Act.

(g) Retirement:

The Director shall retire as per the provisions of the Act. The Key Managerial Personnel and Senior Management Persons shall retire as per the HR policy of the Company in force from time to time. Subject to the provisions of Clause 4(b), the Board will, however, have the discretion to retain the Director, Key Managerial Personnel and Senior Management Persons even after his attaining the age of retirement in the interest of the Company.

(h) The Remuneration policy will be disclosed in the Annual Report of the Company.

(i) This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board.

(j) Any or all the provisions of this Policy would be subject to the revision/amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors. However, any such amendment shall be annexed to this Policy and put on the website of the Company for ready reference of all concerned persons and placed before the Nomination and Remuneration Committee.

**ANNEXURE - III**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015**

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

To,

The Members,  
Dalmia Refractories Limited  
(Formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)  
Dalmiapuram, P.O. Kallakudi,  
Dist. Tiruchirapalli, Tamil Nadu-621 651

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

Based on my verification of the DALMIA REFRACTORIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DALMIA REFRACTORIES LIMITED for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;\*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;\* and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;\*

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the Company during the Audit period)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges  
(During the year, the Securities of the Company were listed at Calcutta Stock Exchange, Delhi Stock Exchange and Madras Stock Exchange. However, Securities and Exchange Board of India (SEBI) vide its order dated 19<sup>th</sup> November, 2014 had derecognized Delhi Stock Exchange and had also passed exit orders dated 14<sup>th</sup> May, 2015 against Madras Stock Exchange, which had sought voluntary exit from the stock exchange activities. Now, the Company continues to remain listed at Calcutta Stock Exchange)
- (iii) Industries Specific Laws such as :-
  - (a) The Mines Act - 1952
  - (b) Mineral Concessional Rule
  - (c) Mines and Minerals Development and Regulation Act.
  - (d) Mineral Conservation and Development Rule, 1988

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

**I further report that**

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

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

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

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

Place : New Delhi  
Dated: May 18, 2015

**N.C. KHANNA**  
FCS No.4268  
C.P.No.5143

**ANNEXURE - IV****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12)  
OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND  
REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2014-15 (Rs.in lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees
1.	Shri N. Gopaldaswamy, Independent Director	0.50	(38.18)%	0.285:1
2.	Shri P.D. Mathur Independent Director	0.53	(35.09)%	0.299:1
3.	Shri M.K. Doogar Independent Director	0.15	(76.33)%	0.085:1
4.	Shri Deepak Thombre Non-Executive Director	0.35	(50.62)%	0.199:1
5.	Shri C. Nagaratnam Non-Executive Director	0.25	(58.94)%	0.142:1
6.	Smt. Leena Rawal* Non-Executive Director	-	N.A.	N.A.
7.	Shri C.N. Maheshwari Chief Executive Officer	71.29**	#	N.A.
8.	Shri S.K. Srivastava Chief Financial Officer	26.15	#	N.A.
9.	Ms. Akansha Jain Company Secretary	1.48	##	N.A.

\* Smt. Leena Rawal has been appointed as an Additional Director w.e.f. 31.03.2015.

\*\* Being reimbursed to Dalmia Bharat Limited for the services of Chief Executive Officer.

# Chief Executive Officer and Chief Financial Officer have been designated as Key Managerial Personnel w.e.f. 29<sup>th</sup> May, 2014

## Company Secretary was appointed effective 26<sup>th</sup> August, 2014.

- (ii) The median remuneration of employees of the Company during the financial year was Rs.1.76 lakh;
- (iii) In the financial year, there was an increase of 5.63% in the median remuneration of employees;
- (iv) There were 401 permanent employees on the rolls of Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and company performance. Total production in year 2014-15 had increased by 19% over the previous year whereas the increase in median remuneration was 5.63%.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company Chief Executive Officer and Chief Financial Officer have been Designated as Key Managerial Personnel w.e.f. 29<sup>th</sup> May, 2014 and the Company Secretary was appointed effective 26<sup>th</sup> August, 2014. Hence, not comparable.

- (vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was Rs.3546.09 lacs# (Rs.1653.75 lacs as on March 31, 2014);
- b) Price Earnings ratio of the Company was 13.53 as on March 31, 2014 and there is a loss for the financial year ended 2014-15;
- c) Percentage increase in the Market quotations of share of the Company as compared to last year is 114.28#.
- # The arrangement between Madras Stock Exchange and National Stock Exchange for the trading of Securities of the Company has been discontinued and the last traded price as on 29<sup>th</sup> January, 2015 of Rs.112.50 has been considered.
- (viii) Average percentage increase in the salaries of employees other than managerial personnel is 5.63% whereas managerial employees have been designated as Key Managerial Personnel during the year under review.
- (ix) The Key Parameters for the variable component of remuneration availed by the directors:
- All the Directors of the Company are Non-Executive and are entitled to sitting fees for attending Board and Committee Meetings. Further they are also paid commission as a percentage of Net Profit as decided by the Board of Directors upto 1% of the net profits of the Company.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
- All the Directors of the Company are Non-Executive and hence do not draw any fixed remuneration. They are entitled to only sitting fees and commission upto 1% on the net profits of the Company.
- (xi) It is hereby affirmed that the remuneration paid during the year ended March 31, 2015 is as per the Remuneration Policy of the Company.

## 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 amended Clause 49 of the Listing Agreement.

### I. Board of Directors

#### Composition of the Board

As on 31<sup>st</sup> March 2015, the Company's Board comprises of six members - All six Non-Executive Directors of which three are Independent Directors and one Woman Director. The Chairman of the Board 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 Director, atleast one third of the Board should comprise independent directors and in case the Company does not have a regular Non-executive Chairman, atleast half of the Board should comprise independent directors.

#### Number of Board Meetings

The Board of Directors met four times during the year on 29<sup>th</sup> May, 2014, 1<sup>st</sup> August, 2014, 14<sup>th</sup> November, 2014 and 28<sup>th</sup> January, 2015. The time gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

#### Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Independent Directors of the Company are whole-time directors in any listed Company and do not serve as an Independent Director in more than seven listed Companies. Further, none of the Directors are members of more than ten Board level Committees or Chairman of more than five Committees across all Companies of which he is a Director. 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 Directorship(s) held in Indian Public Companies@	Committee(s) position (including DRL)#	
		Number of Board Meetings		Last AGM		Member	Chairman
		Held	Attended				
Shri N. Gopaldaswamy	Independent	4	4	Yes	8	6	3
Shri Deepak Thombre	Non-Executive	4	3	No	None	2	1
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	2	No	6	6	None
Smt. Leena Rawal*	Non-Executive	-	-	-	1	None	None

@ 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 Stakeholders' Relationship Committee of Indian public companies (listed and unlisted) have been considered.

\* Smt. Leena Rawal was appointed as Additional Director w.e.f. 31<sup>st</sup> March, 2015. Hence no meeting attended during the year.



### **Meeting of Independent Directors**

During the year under review, the Independent Directors met on January 28, 2015 without the attendance of non-independent directors and members of the management. Except Shri M.K. Doogar, all independent directors of the company were present at the meeting. The meeting of the directors was held to inter alia:

- i) review the performance of the Non Independent Directors and the Board as a whole;
- ii) assess the quality, quantity and timelines of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### **Familiarization Programme for Board Members**

The Board Members are provided with necessary documents, brochures, reports and internal policies which help them to understand the Company, its business and the regulatory framework in which the Company operates and equips them to effectively fulfill their role as a Director of the Company.

Further, the Directors are also updated about the compliances required to be made by them from time to time under various acts and statutes.

The Independent Directors have been appointed for a term of 5 years and a formal letter of appointment has been given to each director in accordance with the Companies Act, 2013, which inter alia explains the role, functions, duties and responsibilities expected of him as a Director of the Company. The letter of appointment of independent directors is available on the Company's website.

### **Information Supplied to the Board**

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

### **Code of Conduct**

DRL's Board has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code has also been posted on the Company's website.

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

### **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.

The Company has also constituted a risk management committee which manages, monitors and reports on the principle risks and uncertainties that can impact company's ability to achieve its strategic objectives.

## **II. Committees of the Board**

As on 31<sup>st</sup> March, 2015, the Company has five Board-level Committees - Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management 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:

### **a) Audit Committee**

As on 31<sup>st</sup> March, 2015, the Committee comprises of four members namely Shri N. Gopaldaswamy, Chairman of the Audit Committee, Shri Deepak Thombre, Shri M.K. Doogar and Shri P.D. Mathur. The committees' composition meets the requirement of section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All members of the Audit Committee have requisite accounting and financial management expertise. Shri N. Gopaldaswamy, Chairman of the Audit Committee was present at the Annual General Meeting held on 12<sup>th</sup> August, 2014.

The Audit Committee has the power to investigate any activity within the terms of its reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The Statutory Auditor and Internal Auditors are also regularly invited by the Audit Committee to discuss their comments and recommendation of accounts, internal controls and processes. The Chief Executive Officer and Chief Financial Officer are permanent invitees to the meetings of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee. The Statutory Auditors and Internal Auditors were present at all Audit Committee meetings.

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 2014-15**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopaldaswamy	Independent	Chairman	4	4
2. Shri P.D. Mathur	Independent	Member	4	4
3. Shri Deepak Thombre	Non-Executive	Member	4	3
4. Shri M.K. Doogar	Independent	Member	4	2

The Role and terms of reference of the Audit Committee has been defined under amended Clause 49(III) of the Listing Agreement with the Stock Exchanges and section 177 of the Companies Act, 2013. The Committee, reviews the quarterly results, financial statements before their submission to the Board and discuss such related issues with the Management, Internal Auditors and Statutory Auditors of the Company. The Broad terms of reference of the Audit Committee therefore include:

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

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

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal auditor/Internal Auditors.

**b) Stakeholders' Relationship Committee**

The 'Investors' Grievance Committee' has been renamed as the 'Stakeholders' Relationship Committee' (SR Committee) by the Board on 29<sup>th</sup> May, 2014. The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Section 178 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2015, the Committee comprises of three members namely, Shri Deepak Thombre as Chairman of the Committee, Shri N. Gopaldaswamy and Shri P.D. Mathur as its members. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

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

**Attendance Record of DRL's Stakeholders Relationship Committee during 2014-15**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopalaswamy	Independent	Member	4	4
2. Shri P.D. Mathur	Independent	Member	4	4
3. Shri Deepak Thombre	Non-Executive	Chairman	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 2014-15**

Nature of Complaint	Pending as on 1 <sup>st</sup> April 2014	Received during the year	Answered during the year	Pending as on 31 <sup>st</sup> March 2015
1. Transfer/Transmission/Duplicate/Deletion of Name	Nil	12	12	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	45	45	Nil
3. Non-receipt of securities/electronic credits	Nil	2	2	Nil
4. Complaints received from:				
- Securities and Exchange Board of India	Nil	1	1	Nil
- Stock Exchanges	Nil	3	3	Nil
- Registrar of Companies, Department of Company Affairs	Nil	Nil	Nil	Nil
5. Others	Nil	1	1	Nil
<b>Total</b>	<b>Nil</b>	<b>64</b>	<b>64</b>	<b>Nil</b>

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

Ms. Akansha Jain, Company Secretary

**c) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted on 29<sup>th</sup> May, 2014. As on 31<sup>st</sup> March, 2015, the Nomination and Remuneration Committee comprises of four members namely Shri P.D. Mathur, Chairman of the Committee, Shri N. Gopalaswamy, Shri C. Nagaratnam and Shri Deepak Thombre. Ms. Akansha Jain, Company Secretary is the Secretary of the Committee.

During the financial year ended March 31, 2015, three meetings of the Nomination and Remuneration Committee were held on August 1, 2014, January 28, 2015 and March 27, 2015. The composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges.

**Composition and Attendance Record of DRL's Nomination and Remuneration Committee during 2014-15**

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopaldaswamy	Independent	Member	3	2
2. Shri Deepak Thombre	Non-Executive	Member	3	2
3. Shri P.D. Mathur	Independent	Chairman	3	3
4. Shri C. Nagaratnam	Non-Executive	Member	3	2

**The terms of reference of Nomination and Remuneration Committee are:**

- Formulate the criteria determining qualifications, positive attribute and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Identifying persons who are qualified to become Directors/Independent Directors in accordance with the criteria laid down.;
- Identifying and selecting potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Recommend to the Board appointment and removal of the aforementioned persons;
- Review and evaluate the performance of the Directors; and
- To carry out any other functions as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

**Remuneration Policy**

The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors. The Remuneration Policy has been annexed to the Report of the Directors and is also available on the Company's website [www.dalmiarefractories.com](http://www.dalmiarefractories.com)

**Remuneration Paid to Directors**

The Non-Executive and Independent Directors, apart from the sitting fees, are paid a commission upto 1% of each year's net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013, as approved by the shareholders in their general meeting. The details of remuneration paid, during the year, to the Directors are given below:-

**Details of remuneration paid to Directors for 2014-15**

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	(Rs.lacs)
					Commission
Shri N. Gopaldaswamy	Independent	0.50	-	-	-
Shri Deepak Thombre	Non-Executive	0.35	-	-	-
Shri C. Nagaratnam	Non-Executive	0.25	-	-	-
Shri P.D. Mathur	Independent	0.53	-	-	-
Shri M.K. Doogar	Independent	0.15	-	-	-

**D) Risk Management Committee**

Risk Management Committee was constituted on 14<sup>th</sup> November, 2014 in accordance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

As on 31<sup>st</sup> March, 2015, the Committee comprises of three members namely Shri P.D. Mathur, Chairman of the Committee, Shri N. Gopaldaswamy, and Shri C. Nagaratnam. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

The terms of reference of this Committee is to lay down procedures to inform the Board members about the risk assessment and minimisation procedures and to frame, implement, monitor and review the risk management plans for the Company.

**E) Right Issue Committee**

As on 31<sup>st</sup> March, 2015, the Committee comprises of two members namely Shri P.D. Mathur (Independent Director) and Shri Deepak Thombre (Non-Executive Director). Ms. Akansha Jain, Company Secretary, is the Secretary of 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. 2015	F. Y. 2014	Growth %
Sales/Processing charges	18909	10828	74.63%
Net Sales	17213	10162	69.39%
PBT	(541)	182	-
PAT	(365)	122	-

The Gross Sales of the Company increased by 74.63%. The Company incurred a loss of Rs.365 lacs as against profit of Rs.122 lacs during the previous year. The sales have increased as a result of increase in volume and commencement of sale of products manufactured at Dalmiapuram Works by the Company on expiry of job work arrangement with Dalmia Bharat Limited.

**Management Discussion and Analysis**

Capacity utilization of the refractory industry in India continues to be around 60% and this is causing pressure on the prices. Globally also the situation is the same, where demand is far in excess of supplies.

With general slowdown in infrastructure projects, the demand for refractories continues to be sluggish.

With the world market leaders like Vesuvius, Calderys, RHI & Krosaki taking more interest in India, we are now facing tough competition from these players as well besides number of existing domestic players.

Your Company is in the manufacture of Alumina based products and mainly caters to the Cement Industries. Due to lack of growth in infrastructure, the cement industry, our major customer constituent has also been operating at about 70% capacity utilization. This coupled with few new cement projects has in turn affected demand for our products. Our margins continue to be under heavy pressure due to considerable supply demand mismatch.

We expect that with the positive sentiments in the country, the expenditure on infrastructure spending by government will increase. This is likely to result in increased demand for our products.

In the meantime we are 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 now looking for increasing its share in other markets including power, steel, refineries, aluminium etc. while maintaining its leadership position in the Cement Industry for Alumina based refractories. The Company is also taking steps to increase its share in export market.

**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.

The high dependence on import of raw materials, particularly bauxite, our main raw material, depreciation of rupee, and inability to pass on the increase in the cost to the customers due to competition pressure, continues to be cause of concern.

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 and is also on the lookout for opportunity to enhance its bauxite security.

### **Human Resources**

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

### **Internal Control System**

The Company has an appropriate and adequate internal control system commensurate with the size of the company. The internal audit system 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 to safe guard various compliances with respect to applicable statutes.

The internal audit reports are presented to the Audit Committee to provide an independent and reasonable assurance of adequacy and effectiveness of the whole Company's internal processes.

The Committee periodically reviews the observations made by the internal auditor on the control mechanisms and also suggests recommendations for corrective actions and implementation thereof.

## **IV. Disclosures**

### **RELATED PARTY TRANSACTION**

The Board of Directors has adopted Related Party Transaction Policy and procedures with regard to Related Party Transactions for the purpose of identifying and regulating such transactions based on the applicable laws and regulations presently in force. In terms of the Policy so formulated all Related Party Transactions are placed before the Audit Committee for their approval. Prior approval of the Audit Committee is obtained on an annual basis for the transactions which are of regular/routine nature. The details of all related party transactions entered into pursuant to the approval so granted are also reviewed periodically by the Audit Committee. The policy also provides for approval of Board/shareholders for transactions that are not at arm's length or are material. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.1.13 of Standalone Financial Statements, forming part of the Annual Report.

### **Transfer to Investor Education and Protection Fund**

In compliance with the provisions of section 205A of the Companies Act, 1956 a sum of Rs.2,38,728/- being the unclaimed dividend lying out of the Interim dividend declared by the Company for the year ended March, 2008 was transferred to Investor Education and Protection Fund of the Central Government in March, 2015.

Refund of Application money which remains unclaimed with respect to Issue of 6% Non-Convertible Debentures on 14<sup>th</sup> August, 2009 and Dividend which remains unclaimed out of the dividend declared by the Company for the year ended March, 2009 at the Annual General Meeting held on 9<sup>th</sup> September, 2009 will become due for transfer to the Investor Education and Protection Fund of the Central Government in August and October, 2016 respectively pursuant to the applicable provisions of the Companies Act. Thereafter no claims shall lie in respect of these amounts from the shareholders.

### **Details of Non-Compliance by the Company**

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

## **Whistle Blower Policy**

The Company has an established mechanism for Directors/Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee to lodge their grievances. The Company has formulated a Whistle Blower Policy and Vigil Mechanism which is also available on the Company's website [www.dalmiarefractories.com](http://www.dalmiarefractories.com).

## **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**

During the year, Shri N. Gopalaswamy, Shri P.D. Mathur and Shri M.K. Doogar have been appointed as Independent Directors at the Annual General Meeting held on 12<sup>th</sup> August, 2014 for a term of five consecutive years upto 31<sup>st</sup> March, 2019 and during this term they shall not be liable to retire by rotation.

Pursuant to the Articles of Association of DRL, at every Annual General Meeting of the Company, one-third of the rotational Directors shall retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. Accordingly, Shri C. Nagaratnam, Director retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Smt. Leena Rawal as Woman Director w.e.f. 31<sup>st</sup> March, 2015. In terms of section 161(1) of the Act, Smt. Leena Rawal shall hold office upto ensuing AGM. The Company has received requisite notice in writing from a member proposing the candidature of Smt. Leena Rawal for appointment as Director whose period of office shall be liable to retire by rotation.

The brief resume of the Directors seeking appointment/re-appointment at ensuing Annual General Meeting of the Company is as below:

Shri C. Nagaratnam holds B.E. (Mechanical) degree and has over 35 Years of Industrial Experience in Engineering, Ceramics, Chemical and Wood substitute Process Industries in the field of Engineering and Management. He is a member of Institute of Engineers and All India Management Association.

Smt. Leena Rawal holds LLB degree from Delhi University and is a fellow member of Institute of Company Secretaries of India. She has over 9 years of experience in the field of Secretarial, Accounts and Taxation.

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**

Quarterly results are published in the Financial Express, English Newspaper having nationwide circulation and Makkal Kural, daily newspaper in regional language, where the registered office of the Company is situated, the day after the Board Meeting in which the results are approved. These financial results and quarterly shareholding pattern are both physically and electronically transmitted to stock exchanges and are also uploaded on Company's website [www.dalmiarefractories.com](http://www.dalmiarefractories.com). The audited financial statements form a part of the Annual Report which is sent to the members well in advance of the Annual General Meeting. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.

**Details of the shares held by the Directors**

Name of the Director	Category	Number of Shares held	No. of Convertible Instruments held
Shri P.D. Mathur	Independent	Nil	Nil
Shri N. Gopalaswamy	Independent	18	Nil
Shri C. Nagaratnam	Non-Executive	40	Nil
Shri M.K. Doogar	Independent	Nil	Nil
Shri Deepak Thombre	Non-Executive	Nil	Nil
Smt. Leena Rawal	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
2013-2014	12.08.2014	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
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

**Special resolutions passed during the last three AGMs**

Date of AGM	Particulars
12.08.2014	<ol style="list-style-type: none"> <li>Appointment of Shri N. Gopalaswamy as an Independent Director for a term of five consecutive years upto 31<sup>st</sup> March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.</li> <li>Appointment of Shri P.D. Mathur as an Independent Director for a term of five consecutive years upto 31<sup>st</sup> March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.</li> <li>Appointment of Shri M.K. Doogar as an Independent Director for a term of five consecutive years upto 31<sup>st</sup> March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.</li> <li>Payment of Commission to Independent Non-Executive Directors.</li> </ol>
13.08.2013	None
06.09.2012	1. Re-Appointment of Shri Deepak Ambadas Thombre as a Managing Director.

**Postal Ballot**

During the year ended 31<sup>st</sup> March, 2015, two special resolutions were passed by receiving the consent of the shareholders through postal ballot pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Shri N.C. Khanna, Practicing Company Secretary was appointed as the Scrutinizer to conduct the entire Postal Ballot including the electronic voting process.

Notice dated 5<sup>th</sup> September, 2014 along with the Postal Ballot Forms was dispatched on 4<sup>th</sup> October, 2014 through electronic mail to the shareholders whose email Ids were registered with the Company /depository participants and through registered post to other shareholders for obtaining their consent. Duly completed Postal Ballot forms were required to be returned to the Scrutinizer on or before 5<sup>th</sup> November, 2014.

Electronic voting facility was also made available to the members to cast their votes electronically from 6<sup>th</sup> October 2014 (9.30 am) to 5<sup>th</sup> November, 2014 (till 5 pm).

The results of the Postal Ballot were declared at the Proceeding of the Company held on 10<sup>th</sup> November, 2014 at the Registered Office of the Company.



**RESULT OF THE POSTAL BALLOT RECEIVED THROUGH POST AS WELL AS THOSE ELECTRONICALLY CAST AS PER SCRUTINIZER'S REPORT ARE AS FOLLOWS:**

Particulars	Aggregate of Physical Ballot and Electronic Voting	Number of Votes			Result
		Invalid	For	Against	
Special resolution at item 1 of the Notice of Postal Ballot relating to increase in borrowing limits of the Company as per the provisions of Section 180(1)(c) of the Companies Act, 2013.	2047773	356	2047315	102	Passed with requisite majority
Special Resolution at item 2 of the Notice of Postal Ballot under Section 180(1)(a) of the Companies Act, 2013 relating to authorizing the Board of Directors to provide security by way of mortgage/pledge and or to charge all or any of the Company.	2047773	656	2047015	102	Passed with requisite majority

**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 : 6<sup>th</sup> August, 2015  
 Time : 11 A.M.  
 Venue : Dalmiapuram, P.O. Kallakudi-621651,  
 Distt. Tiruchirapalli, Tamil Nadu.

**Financial Calendar**

Financial Year : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016.

For the year ended 31<sup>st</sup> March, 2016, results will be announced:

- First quarter : By mid of August, 2015
- Second quarter : By mid of November, 2015
- Third quarter : By mid of February, 2016
- Fourth quarter : By end of May, 2016

**Book Closure**

The dates of book closure are from 4<sup>th</sup> August, 2015 to 6<sup>th</sup> August, 2015 inclusive of both days.

**Dividend Payment**

Your directors have recommended a final dividend of Re.0.50/- per equity share of face value of Rs.10/- each for the financial year 2014-15. The dividend will be paid after the approval of shareholders at Annual General Meeting.

If declared, credit/dispatch of dividend warrant will be completed on or before 28<sup>th</sup> August, 2015.

**Corporate Identification Number (CIN):** L24297TN1973PLC006372

**Listing of Securities**

During the year the Securities of the Company were listed at Calcutta Stock Exchange, Delhi Stock Exchange and Madras Stock Exchange. However, Securities and Exchange Board of India (SEBI) vide its order dated 19<sup>th</sup> November, 2014 had derecognized Delhi Stock Exchange and had also passed exit orders dated 14<sup>th</sup> May, 2015, against Madras Stock Exchange, which had sought voluntary exit from the stock exchange activities. Now, the Company continues to remain listed at Calcutta Stock Exchange for which the annual listing fees has been paid for the year 2015-16.

**Stock Market Data**

Consequent to voluntary exit of Madras Stock Exchange from stock exchange business, the agreement between National Stock Exchange (NSE) and the said exchange has been discontinued and the shares of the Company are no more being traded on the NSE trading platform with effect from 31<sup>st</sup> January, 2015. The last traded price of shares was Rs.112.50 on 29<sup>th</sup> January, 2015 at NSE.

**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, 2015 is given below:

**Shareholding Pattern by ownership**

Category (No. of Equity Shares held)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	5336	96.11	405258	12.86
501-1000	115	2.07	79650	2.53
1001-2000	51	0.92	75796	2.40
2001-3000	9	0.16	22928	0.73
3001-4000	7	0.13	25456	0.81
4001-5000	1	0.02	4100	0.13
5001-10000	10	0.18	78577	2.49
10001 and above	23	0.41	2460319	78.05
<b>Total</b>	<b>5552</b>	<b>100.00</b>	<b>3152084</b>	<b>100.00</b>

**Shareholding Pattern by ownership**

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	10	0.18	1226	0.04
Clearing Members	0	0.00	0	0.00
Directors	2	0.04	58	0.00
H.U.F	30	0.54	11897	0.38
Bodies Corporate	73	1.31	37294	1.18
Non Resident Indians	13	0.23	2268	0.07
Promoters Bodies Corporate	18	0.32	2043527	64.83
Resident Individuals	5405	97.35	1055764	33.49
Trusts	1	0.02	50	0.00
<b>Total</b>	<b>5552</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 has already been paid for the year under review and for the year 2015-16, will be paid by the Company to the Depository on receipt of the invoices.

ISIN No. (for Dematerialised Shares) : INE200F01017,

ISIN No. (for Dematerialised Debentures) : INE200F07014

As on 31<sup>st</sup> March, 2015, 89.91% of Equity Shares of the Company were held in dematerialization form.

## Outstanding GDRs/ADRs/Warrants or any convertible Instruments

Nil

## Address for Communication

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

## Registrar and Transfer Agent

Karvy Computershare Private Limited

Unit-Dalmia Refractories Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.

Tel.No.040-67161500; Fax: 040-23001153; Email: einward.ris@karvy.com; Website: www.karvy.com

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

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, 2015 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 (wherever applicable) to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

Place: New Delhi  
Dated: May 21, 2015

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 2015, 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  
Dated: May 21, 2015

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

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(II)(E)(2) of the Listing Agreement entered into with the Stock Exchanges.

Place: New Delhi  
Dated: May 21, 2015

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

**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 comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

## Report On Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order;

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordingly to the explanations given to us;
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 1.2 to the financial statements;
  - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration No.000756N

**KAMAL KISHORE**

**PARTNER**

Membership No.078017

Place: New Delhi

Date: May 21, 2015

**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.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except stocks in transit which have been verified with reference to confirmations and/or subsequent receipt of material. 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) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3 (iii) (a) & (b) 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 and fixed assets and with regard to 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, 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) The Company has not accepted any deposits in terms of Sections 73 to 76 of the Act and/or directives issued by the Reserve Bank of India or any other relevant provisions of the Act and the Rules framed thereunder.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to 'The Companies (Cost Records and Audit) Rules, 2014' as notified by notification no. G.S.R. 425(E) dated 30<sup>th</sup> June, 2014 of Ministry of Corporate Affairs, Government of India under section 148 of the Companies Act, 2013. We are of the opinion that prima facie the prescribed records have been made and maintained by the company. We are, however, not required to make a detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and the records of the Company, examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. Further, there were no undisputed amount outstanding at the year-end for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, value added tax, sales tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute, except the following in respect of disputed Excise duty and Service tax:

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.	Central Excise & Salt Act, 1944	Excise Duty	2.85	May' 2008 to August' 2010	Commissioner (Appeals), Trichy
2.	Central Excise & Salt Act, 1944	Excise Duty	1.15	September' 2010 to June' 2011	CESTAT, Chennai
3.	Finance Act, 1994	Service Tax	63.34	2004-05 to 2011-12	CESTAT, Ahmedabad (Appeal to be filed)

- (c) The Company does not have any amount which is required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 1956 and rules made thereunder.
- (viii) The Company does not have any accumulated losses as at the close of the financial year. The Company has incurred cash losses during the financial year 2014-15, covered by our audit, while there were no such cash losses in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) 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 the said loans were obtained, whenever such end use has been stipulated by the lender(s).
- (xii) 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 and 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  
Date: May 21, 2015

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

## BALANCE SHEET AS AT MARCH 31, 2015

(Rs. In lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
(a) Share Capital	2	<b>315.21</b>		315.21	
(b) Reserves and Surplus	3	<b><u>5,024.34</u></b>	<b>5,339.55</b>	<u>5,421.13</u>	5,736.34
<b>(2) Non-Current liabilities</b>					
(a) Long term borrowings	4	<b>484.95</b>		288.00	
(b) Deferred tax liabilities (Net)	5	<b>65.34</b>		240.00	
(c) Other long term liabilities	6	<b>5.40</b>		10.80	
(d) Long term provisions	7	<b><u>81.01</u></b>	<b>636.70</b>	<u>74.37</u>	613.17
<b>(3) Current Liabilities</b>					
(a) Short term borrowings	8	<b>3,717.26</b>		1,071.99	
(b) Trade payables	9	<b>2,725.20</b>		2,080.07	
(c) Other current liabilities	10	<b>1,198.72</b>		703.61	
(d) Short term provisions	11	<b><u>28.10</u></b>	<b><u>7,669.28</u></b>	<u>50.79</u>	<u>3,906.46</u>
<b>TOTAL</b>			<b><u>13,645.53</u></b>		<u>10,255.97</u>
<b>II. ASSETS</b>					
<b>(1) Non-Current assets</b>					
(a) Fixed Assets					
(i) Tangible assets	12	<b>3,416.34</b>		2,290.61	
(ii) Intangible assets	12	<b>15.30</b>		-	
(iii) Capital work in progress	12	<b><u>161.12</u></b>		<u>10.25</u>	
		<b>3,592.76</b>		2,300.86	
(b) Non-current investments	13	<b>494.62</b>		494.62	
(c) Long term loans and advances	14	<b>260.64</b>		222.61	
(d) Other non current assets	15	<b><u>3.47</u></b>	<b>4,351.49</b>	<u>3.43</u>	3,021.52
<b>(2) Current Assets</b>					
(a) Current Investments	16	<b>0.26</b>		0.24	
(b) Inventories	17	<b>4,899.47</b>		3,903.36	
(c) Trade receivables	18	<b>3,406.49</b>		2,332.24	
(d) Cash and cash equivalents	19	<b>207.68</b>		174.59	
(e) Short term loans and advances	20	<b>776.90</b>		789.78	
(f) Other current assets	21	<b><u>3.24</u></b>	<b><u>9,294.04</u></b>	<u>34.24</u>	<u>7,234.45</u>
			<b><u>13,645.53</u></b>		<u>10,255.97</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

C.N. Maheshwari  
Chief Executive Officer

S.K. Srivastava  
Chief Financial Officer

Akansha Jain  
Company Secretary

**For and on behalf of the Board**

Deepak Thombre  
Director  
DIN:02421599

P.D. Mathur  
Director

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2015**

(Rs.in lacs)

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2015		For the Year ended 31 <sup>st</sup> March, 2014	
		Rs.	Rs.	Rs.	Rs.
<b>I Revenue from Operations</b>	22		<b>18,909.44</b>		10,828.31
Less: Excise Duty			<b>1,696.83</b>		666.20
			<b>17,212.61</b>		10,162.11
<b>II Other Income</b>	23		<b>307.95</b>		99.50
<b>Total revenue</b>			<b>17,520.56</b>		10,261.61
<b>III Expenses</b>					
Cost of materials consumed	24		<b>9,435.03</b>		4,405.34
Purchases of Traded Goods/Services	25		<b>2,167.38</b>		1,040.62
(Increase)/Decrease in finished and semi finished goods	26		<b>(685.35)</b>		(501.84)
Remuneration and benefits to employees	27		<b>2,245.47</b>		1,905.45
Financial expenses	28		<b>360.89</b>		219.87
Depreciation and amortization expenses	12		<b>323.71</b>		233.96
Other expenses	29		<b>4,214.61</b>		2,775.79
<b>Total Expenses</b>			<b>18,061.74</b>		10,079.19
Profit/(Loss) before exceptional and extraordinary items and tax			<b>(541.18)</b>		182.42
Less: Exceptional items			-		-
Profit/(Loss) before extraordinary items and tax			<b>(541.18)</b>		182.42
Less: Extraordinary items			-		-
Profit/(Loss) before tax			<b>(541.18)</b>		182.42
Less: Tax expenses					
- Current tax			-		67.00
- Deferred tax		<b>(168.52)</b>			(7.00)
- Income tax adjustment for earlier years		<b>(8.01)</b>	<b>(176.53)</b>		- 60.00
Profit/(Loss) for the year			<b>(364.65)</b>		122.42
Earning per equity share (Nominal Value of Equity Share Rs.10/- each)					
(1) Basic (Rs.)			<b>(11.82)</b>		3.88
(2) Diluted (Rs.)			<b>(11.82)</b>		3.88

**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 21, 2015

C.N. Maheshwari  
Chief Executive OfficerS.K. Srivastava  
Chief Financial OfficerAkansha Jain  
Company Secretary**For and on behalf of the Board**Deepak Thombre  
Director  
DIN:02421599P.D. Mathur  
Director  
DIN:00266758

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015****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 Securities of the Company were listed at Calcutta Stock Exchange, Delhi Stock Exchange and Madras Stock Exchange. However, Delhi Stock Exchange had been derecognized by Securities and Exchange Board of India (SEBI) vide its order dated 19<sup>th</sup> November, 2014 and had also passed orders date 14<sup>th</sup> May, 2015 to provide exit to Madras Stock Exchange, which had sought voluntary exit from the stock exchange activities. The Company continues to be listed at Calcutta 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 by the Companies (Accounting Standards) Rules, 2006 in compliance of Section 133 read with Rule (7) of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013. 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.

**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 and the results of operations during the reporting period. Although these estimates are based upon managements based knowledge of current events and actions, actual results could differ from these estimates. 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, and Katni Works considering the useful life prescribed in schedule II of the Companies Act, 2013 and written down value method for the fixed assets at New Delhi Office considering the useful life prescribed in schedule II of the Companies Act, 2013.
- iv) Certain Plant & Machinery has been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

**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, 2015****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. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.
- (b) Historical cost is determined on the basis of weighted average method.
- (c) 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.

**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.

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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****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.
- (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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****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 account 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 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 Equivalents**

Cash and cash equivalents 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.

**NOTE - 2 - SHARE CAPITAL**

Particulars	(Rs. In lacs)			
	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	Rs.	Number	Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	50,00,000	<u>500.00</u>	50,00,000	<u>500.00</u>
		<u>500.00</u>		<u>500.00</u>
<b>Issued, subscribed and fully paid up:</b>				
Equity Shares of Rs.10 each				
At the beginning of the reporting period	31,52,084	315.21	31,52,084	315.21
Issued during the reporting period	-	-	-	-
At the close of the reporting period	<u>31,52,084</u>	<u>315.21</u>	<u>31,52,084</u>	<u>315.21</u>

- 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 of the number of equity shares held by the shareholders.

During the year ended 31<sup>st</sup> March, 2015 the amount of per share dividend recognize as distribution to equity shareholders was **Re.0.50** (previous year Rs.1.00). 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.

Particulars	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
<b>c) Details of Shareholders holding More than 5% shares in the Company.</b>				
Equity Shares of Rs.10 each fully paid up	<u>No .of</u>	<u>% of</u>	<u>No. of</u>	<u>% of</u>
	<u>Share</u>	<u>Holding</u>	<u>Share</u>	<u>Holding</u>
i) Mayuka Investment Limited	614396	19.49	614396	19.49
ii) Ankita Pratisthan Limited	402091	12.76	402091	12.76
iii) Sita Investment Co. Limited	312300	9.91	312300	9.91
iv) Alirox Abrasives Limited	247187	7.84	247187	7.84
v) Mahendra Girdharilal Wadhawani	181067	5.74	183886	5.83
vi) Rama Investment Co. Private Limited	176728	5.61	176728	5.61
vii) Saral Bhanshali	58239	1.85	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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## NOTE - 3 - RESERVES &amp; SURPLUS

Particulars	(Rs. In lacs)	
	As at 31 <sup>ST</sup> March, 2015 Rs.	As at 31 <sup>ST</sup> March, 2014 Rs.
<b>a) Capital Reserve</b>		
Balances as per last financial statements	<u>5.00</u>	<u>5.00</u>
Closing Balance	<u>5.00</u>	<u>5.00</u>
<b>b) Securities Premium Account</b>		
Balances as per last financial statements	<u>588.02</u>	<u>588.02</u>
Closing Balance	<u>588.02</u>	<u>588.02</u>
<b>c) Debenture Redemption Reserve</b>		
Balances as per last financial statements	<u>120.00</u>	<u>120.00</u>
Closing Balance	<u>120.00</u>	<u>120.00</u>
<b>d) General Reserve</b>		
Balances as per last financial statements	664.82	654.82
Add: Amount transferred from surplus balance in the statement of Profit and Loss	<u>10.00</u>	<u>10.00</u>
Closing Balance	<u>674.82</u>	<u>664.82</u>
<b>e) Surplus in the statement of profit and loss</b>		
Balances as per last financial statements	4,043.29	3,967.75
Add: Profit (Loss) for the year	(364.65)	122.42
Add: Impact of deferred tax due to change in depreciation rate with regard to Companies Act, 2013.	6.14	-
Less: Effect of change in depreciation as per Companies Act, 2013	19.31	-
Less: Appropriations		
- Proposed Dividends	15.76	31.52
- Corporate Dividend Tax	3.21	5.36
- Transfer to Reserves	<u>10.00</u>	<u>10.00</u>
Closing Balance	<u>3,636.50</u>	<u>4,043.29</u>
	<u>5,024.34</u>	<u>5,421.13</u>

## NOTE - 4 - LONG TERM BORROWINGS

## Secured Loans:

a. Debentures		
6% Non Convertible Debentures	240.00	240.00
b. Term Loans		
- From Banks	<u>244.95</u>	<u>48.00</u>
	<u>484.95</u>	<u>288.00</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015****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.412.95 lacs** (Previous Year Rs.148.00 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	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Amount	168.00	120.00	120.00	4.95

The interest rate for the above Term Loans varies from 12.90% to 13.25%

<b>Particulars</b>	<b>(Rs.In lacs)</b>	
	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>

**NOTE - 5 - DEFERRED TAX LIABILITY****a) Deferred tax liability:**

On account of depreciation on fixed assets	<b>306.00</b>	290.00
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**b) Deferred tax assets:**

On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	<b>53.37</b>	50.00
On account of unabsorbed depreciation & business losses	<b>187.29</b>	-
<b>(Refer Note 1.16)</b>	<b><u>65.34</u></b>	<u>240.00</u>

**NOTE - 6 - OTHER LONG TERM LIABILITIES**

a) Others	<b>5.40</b>	10.80
	<b><u>5.40</u></b>	<u>10.80</u>

**NOTE - 7 - LONG TERM PROVISIONS**

Provisions for employee benefits	<b>81.01</b>	74.37
	<b><u>81.01</u></b>	<u>74.37</u>

**NOTE - 8 - SHORT TERM BORROWINGS****Secured Loans:**

Cash credit from banks	<b>3,027.51</b>	1,071.99
Buyers Credit	<b>689.75</b>	-
	<b><u>3,717.26</u></b>	<u>1,071.99</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

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 and varies from 11.50% to 12.75%.

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014

**NOTE - 9 - TRADE PAYABLE**

a) To Micro, Small and Medium Enterprises*	-	-
b) Others	<u>2,725.20</u>	<u>2,080.07</u>
	<u>2,725.20</u>	<u>2,080.07</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.

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014

**NOTE - 10 - OTHER CURRENT LIABILITIES:**

a) Current Maturities of long term debts	<b>168.00</b>	100.00
b) Interest accrued but not due on borrowings	<b>23.68</b>	21.38
c) Unclaimed dividends*	<b>19.78</b>	20.90
d) 6% NCD Application money*	<b>0.11</b>	0.11
e) Statutory Liabilities	<b>245.16</b>	220.44
f) Advance from Customers	<b>704.24</b>	295.50
g) Others	<b>37.75</b>	45.28
	<u><b>1,198.72</b></u>	<u>703.61</u>

\* Investor Education and Protection Fund - Rs.2.39 lacs on account of unclaimed dividend credited to the Investor Education and Protection Fund during the year.

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

a) Provision for employee benefits	<b>9.13</b>	13.91
b) Proposed Dividend	<b>15.76</b>	31.52
c) Corporate Dividend Tax thereon	<b>3.21</b>	5.36
	<u><b>28.10</b></u>	<u>50.79</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

## NOTE - 12 - FIXED ASSETS

								(Rs. In lacs)		
	Tangible Assets							Intangible Assets		
	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equip-ment	Furniture and Fixtures	Vehicles	Total	Com-puter Soft-ware	Grand Total
<b>Cost</b>										
As at 1 <sup>st</sup> April, 2013	13.90	85.89	838.18	3,951.37	224.66	101.28	21.49	5,236.77	2.41	5,239.18
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>13.90</b>	<b>85.89</b>	<b>838.38</b>	<b>3,771.09</b>	<b>216.53</b>	<b>89.79</b>	<b>25.27</b>	<b>5,040.85</b>	<b>-</b>	<b>5,040.85</b>
Additions	671.21	-	22.35	760.10	8.22	0.09	-	1,461.97	22.08	1,484.05
Disposals	-	-	-	-	0.35	-	4.58	4.93	-	4.93
<b>As at 31<sup>st</sup> March, 2015</b>	<b>685.11</b>	<b>85.89</b>	<b>860.73</b>	<b>4,531.19</b>	<b>224.40</b>	<b>89.88</b>	<b>20.69</b>	<b>6,497.89</b>	<b>22.08</b>	<b>6,519.97</b>
<b>Depreciation</b>										
As at 1 <sup>st</sup> April, 2013	-	8.28	246.85	2,233.69	140.53	86.57	16.81	2,732.73	2.41	2,735.14
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>-</b>	<b>11.30</b>	<b>271.11</b>	<b>2,246.25</b>	<b>132.95</b>	<b>75.90</b>	<b>12.73</b>	<b>2,750.24</b>	<b>-</b>	<b>2,750.24</b>
Charge for the year	-	3.01	26.17	243.32	54.88	5.26	3.60	336.24	6.78	343.02*
Disposals	-	-	-	-	0.35	-	4.58	4.93	-	4.93
<b>As at 31<sup>st</sup> March, 2015</b>	<b>-</b>	<b>14.31</b>	<b>297.28</b>	<b>2,489.57</b>	<b>187.48</b>	<b>81.16</b>	<b>11.75</b>	<b>3,081.55</b>	<b>6.78</b>	<b>3,088.33</b>
<b>Net Block</b>										
As at 31 <sup>st</sup> March, 2014	13.90	74.59	567.27	1,524.84	83.58	13.89	12.54	2,290.61	-	2,290.61
<b>As at 31<sup>st</sup> March, 2015</b>	<b>685.11</b>	<b>71.58</b>	<b>563.45</b>	<b>2,041.62</b>	<b>36.92</b>	<b>8.72</b>	<b>8.94</b>	<b>3,416.34</b>	<b>15.30</b>	<b>3,431.64</b>
<b>CAPITAL WORK IN PROGRESS</b>										
As at 31 <sup>st</sup> March, 2014										10.25
<b>As at 31<sup>st</sup> March, 2015</b>										<b>161.12</b>

**NOTE:**

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1<sup>st</sup> April 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with provisions of Schedule II to the Act. In case of Fixed assets which have already completed their useful life in terms of Schedule II of the Act, the carrying value (net of residual value) of such assets as at 1<sup>st</sup> April, 2014 amounting to Rs.13.17 lacs (net of deferred tax amounting to Rs.6.14 lacs) has been adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per the re-calculated remaining useful life. The depreciation and amortisation expense charged for the period ended 31<sup>st</sup> March, 2015 would have been lower by Rs.34.96 lacs, had the Company continued with the previously prescribed depreciation rates as per Schedule-XIV of Companies Act, 1956."

**\*Rs.19.31 lacs adjusted with retained earning and balance Rs.323.71 lacs charged to Profit & Loss Account.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

Details of Investments	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>NOTE - 13 - NON CURRENT INVESTMENTS:</b>		
<b>a) Trade Investments</b>	-	-
<b>b) Other than Trade Investments</b>		
i) Quoted fully paid up Equity Shares of Others -		
- Dalmia Bharat Sugar & Industries Ltd. <b>1000</b> (Previous year 1,000) Equity Shares of Rs.2 each	<b>0.64</b>	0.64
- Dalmia Bharat Limited <b>349476</b> (Previous year 349476) Equity Shares of Rs.2 each	<b>493.98</b>	493.98
	<u><b>494.62</b></u>	<u>494.62</u>
Aggregate book value of quoted investments	<b>494.62</b>	494.62
Aggregate book value of unquoted investments	<b>0.00</b>	0.00
Market Value of quoted investments	<b>1478.46</b>	888.18

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

a) Capital Advances	-	25.00
b) Security Deposits	<b>77.32</b>	65.52
c) To employees	<b>22.15</b>	27.78
d) Income Tax (Net of Provision <b>Rs.167 lacs</b> , previous year Rs.482.00 lacs)	<b>161.17</b>	94.25
e) Others	-	<u>10.06</u>
	<u><b>260.64</b></u>	<u>222.61</u>

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

Deposits with original maturity more than 12 months (Pledged with banks towards margin)	<b>3.47</b>	3.43
	<u><b>3.47</b></u>	<u>3.43</u>

**NOTE - 16 - CURRENT INVESTMENTS:**

Details of Investments	No. of Units	(Rs. In lacs)		
		As at 31 <sup>st</sup> March, 2015	No. of Units	As at 31 <sup>st</sup> March, 2014
<b>Investments in Mutual funds:</b>				
HDFC Floating Rate Fund (Valued at lower of cost or fair value)	<b>2517</b>	<u><b>0.26</b></u>	2360	<u>0.24</u>
		<u><b>0.26</b></u>		<u>0.24</u>
Aggregate Book value of unquoted Investments		<b>0.26</b>		0.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

(Rs.in lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>NOTE - 17 - INVENTORIES:</b>		
a) Raw materials	2,442.12	1,382.25
b) Raw materials in transit	11.09	111.58
c) Finished goods	1,804.75	1,269.32
d) Semi Finished Goods	290.02	140.10
e) Stores and spares	343.95	375.68
f) Stores and Spares in transit	-	618.00
g) Loose tools	7.54	6.43
	<u>4,899.47</u>	<u>3,903.36</u>
<b>NOTE - 18 - TRADE RECEIVABLES:</b>		
a) Secured	-	-
b) Unsecured		
Exceeding six months		
- Considered good	1,098.10	1,056.00
- Considered Doubtful	64.08	64.08
	<u>1,162.18</u>	<u>1,120.08</u>
Less: Provision for bad and doubtful debts	64.08	64.08
	<u>1,098.10</u>	<u>1,056.00</u>
Others		
- Considered Good	2,308.39	1,276.24
	<u>3,406.49</u>	<u>2,332.24</u>

Particulars	Non-Current		Current	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014

**NOTE - 19 - CASH AND CASH EQUIVALENTS:**

a) Balance with Banks				
- Earmarked for unpaid dividend	-	-	19.81	20.90
- Earmarked for margin money and guarantees	-	-	0.74	133.65
- Deposits with original maturity more than 12 months	3.47	3.43	-	-
- Balances in Current Accounts	-	-	150.64	13.07
- Earmarked for NCD Application Money	-	-	0.11	0.11
b) Cheques in hand	-	-	27.39	-
c) Cash in hand	-	-	8.89	6.60
d) Others	-	-	0.10	0.26
	<u>3.47</u>	<u>3.43</u>	<u>207.68</u>	<u>174.59</u>
Amount disclosed under other non-current assets Note-15	3.47	3.43	-	-
	<u>-</u>	<u>-</u>	<u>207.68</u>	<u>174.59</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**
**(Rs. In lacs)**

Particulars	As at 31 <sup>st</sup> March, 2015 Rs.	As at 31 <sup>st</sup> March, 2014 Rs.
<b>NOTE - 20 - SHORT TERM LOANS AND ADVANCES:</b>		
<b>(Unsecured, considered good)</b>		
a) To employees	14.01	16.94
b) Prepaid expenses	32.85	28.41
c) Balance with Govt. Authorities & Others	630.39	379.13
d) Due from related parties	-	220.44
e) Others	99.65	144.86
	<u>776.90</u>	<u>789.78</u>
<b>NOTE - 21 - OTHER CURRENT ASSETS:</b>		
Interest receivable	3.24	2.74
Others	-	31.50
	<u>3.24</u>	<u>34.24</u>

**(Rs. In lacs)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015	For the Year Ended 31 <sup>st</sup> March, 2014
<b>NOTE - 22 - REVENUE FROM OPERATIONS:</b>		
a) Sale of Products		
Refractories	16,018.22	6,069.00
Calcined Bauxite	303.48	243.75
Self Consumption	89.56	25.03
Inter Segment/Unit Transfer	723.33	257.16
Traded Goods	1,703.76	694.89
b) Sale of services	604.57	2,166.13
c) Other operating revenues		
Sale of non-plant grade bauxite	103.91	1,568.23
Scrap Sales	85.94	61.28
	<u>19,632.77</u>	<u>11,085.47</u>
Less: Inter Segment/Unit Transfer	723.33	257.16
	<u>18,909.44</u>	<u>10,828.31</u>

**NOTE - 23 - OTHER INCOME:**

a) Interest income from Banks and others (Tax deducted at source <b>Rs.0.67 lacs</b> , previous year Rs.1.10 lacs)	11.78	14.83
b) Dividend Income		
- From long term investments	6.99	6.99
- From current investments	0.02	0.42
c) Profit on sale of fixed assets	0.45	36.86
d) Profit on sale of investments	-	0.01
e) Excess Provision/Liability no longer required written back	53.93	11.10
f) Other income	234.78	29.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

(Rs. In lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015	For the Year Ended 31 <sup>st</sup> March, 2014
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**NOTE - 24 - COST OF MATERIALS CONSUMED:**

Consumption of raw materials	Qty. M.T.	Rs.	Qty. M.T.	Rs.
- Clay	33135	404.85	25179	307.80
- Bauxite	55632	6,436.09	26514	2,941.45
- Other Materials		3,317.42		1,413.25
		<u>10,158.36</u>		<u>4,662.50</u>
Less: Inter Unit Transfer		723.33		257.16
		<u>9,435.03</u>		<u>4,405.34</u>

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

	2,167.38	1,040.62
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**NOTE - 26 - (INCREASE)/DECREASE IN STOCKS OF  
FINISHED AND SEMI-FINISHED GOODS:**

## Closing Stocks

a) Finished Goods	1,804.75	1,269.32
b) Semi-Finished Goods	290.02	140.10
<b>Total</b>	<u>2,094.77</u>	<u>1,409.42</u>

## Less: Opening Stocks

a) Finished Goods	1,269.32	740.47
b) Semi-Finished Goods	140.10	167.11
<b>Total</b>	<u>1,409.42</u>	<u>907.58</u>
	<u>(685.35)</u>	<u>(501.84)</u>

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

a) Salaries and wages	1,984.34	1,659.21
b) Contribution to provident and other funds	91.48	86.16
c) Gratuity and Pension	35.97	31.05
d) Staff welfare expenses	133.68	129.03
	<u>2,245.47</u>	<u>1,905.45</u>

**NOTE - 28 - FINANCE COSTS:**

## Interest

On Term Loans	64.64	32.07
On Borrowing From Banks	279.51	169.23
On Debentures	14.40	14.40
On Others	2.34	4.17
	<u>360.89</u>	<u>219.87</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

(Rs. In lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015	For the Year Ended 31 <sup>st</sup> March, 2014
<b>NOTE - 29 - OTHER EXPENSES:</b>		
a) Consumption of Stores & Spares Parts	201.54	249.08
b) Power and fuel	1,642.35	949.07
c) Packing Freight & Transport (Net after recoveries of <b>Rs.299.07 lacs</b> , previous year Rs.31.16 lacs)	522.78	147.54
d) Commission	336.19	139.75
e) Rebates, Discounts & Allowances	8.30	1.26
f) Rent	5.00	23.68
g) Repair and maintenance		
- Buildings	67.35	23.32
- Plant and Machinery	461.04	396.16
- Others	<u>70.97</u>	<u>47.83</u>
h) Insurance	30.90	25.51
i) Rates and taxes	37.41	15.00
j) Payment to the auditor		
- Audit Fees	3.50	2.50
- Other services	2.25	1.60
- Reimbursement of expenses	<u>1.88</u>	<u>2.38</u>
k) Advertisement & Publicity	6.98	4.74
l) Provision for doubtful receivables	-	-
m) Bad trade receivables written off	-	3.34
n) Loss on sale of fixed asset	-	0.13
o) Travelling	117.72	96.09
p) Donations	1.16	0.78
q) Legal charges	3.40	1.65
r) Variation of Excise Duty on Closing Stock	31.59	57.75
s) Bank charges	94.40	27.61
t) Fixed Assets written off	-	53.10
u) Write off of Lease Money	0.01	0.01
v) Foreign Exchange Fluctuation (Net of Income of <b>Rs.20.19 lacs</b> , previous year Rs.15.37 lacs)	43.86	79.26
w) Miscellaneous expenses	524.03	426.65
	<u>4,214.61</u>	<u>2,775.79</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(Rs. In lacs)	
	For the Year Ended 31 <sup>st</sup> March, 2015	For the Year Ended 31 <sup>st</sup> March, 2014

**NOTE - 30 -Additional Information :**

a) Value of Imports calculated on CIF basis

i) Raw Materials	<b>4,394.45</b>	1,183.33
ii) Components and spares parts	-	-
iii) Capital goods	<b>613.89</b>	-

b) Expenditure in foreign currency:  
(net of withholding tax)

i) Interest	<b>1.68</b>	3.40
ii) Travelling/Conference/Subscription expenses	<b>22.05</b>	10.78

c) Earnings in Foreign Exchange

i) Export of goods calculated on F.O.B. basis	<b>658.93</b>	60.49
ii) Others	<b>195.89</b>	-

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015		For the Year Ended 31 <sup>st</sup> March, 2014	
	Amount	% to total	Amount	% to Total

d) Details regarding imported and indigenous  
Materials Consumed

1. Spare Parts &amp; Components

- Indigenous	<b>201.54</b>	<b>100.00</b>	249.08	100.00
- Imported	-	-	-	-
Total	<b><u>201.54</u></b>	<b><u>100.00</u></b>	<u>249.08</u>	<u>100.00</u>

2. Raw Materials

- Indigenous	<b>5,381.33</b>	<b>57.04</b>	2,272.43	51.58
- Imported	<b>4,053.70</b>	<b>42.96</b>	2,132.91	48.42
Total	<b><u>9,435.03</u></b>	<b><u>100.00</u></b>	<u>4,405.34</u>	<u>100.00</u>

e) Details of non-resident shareholding for  
payment of dividend

i) Number of nonresident shareholders	<b>14</b>	15
ii) Number of shares held by nonresident shareholders	<b>3268</b>	3568
iii) Amount remitted during the year in Indian Rupees on account of dividend	<b>Rs.3,268</b>	Rs.5,352

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

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>104400</b>	<b>24000</b>
(As certified by the management)	(107100)	(24000)
Production (MT)	<b>82228</b>	<b>13271***</b>
	(72693)**	(7537)***
Sales (MT)	<b>79336</b>	<b>3278</b>
	(28745)	(2987)
Sales (Rs. Lacs)	<b>16018.22</b>	<b>303.48</b>
	(6069.00)	(243.75)
Self Consumption (MT)	<b>786</b>	-
	(268)	(-)
Self Consumption (Rs. Lacs)	<b>89.56****</b>	-
	(25.03)****	(-)
Inter Unit Transfer (MT)	<b>491</b>	<b>9957</b>
	(184)	(4421)
Inter Unit Transfer (Rs. Lacs)	<b>118.15</b>	<b>605.18</b>
	(40.30)	(216.86)
Opening Stock (MT)	<b>5980</b>	<b>1446</b>
	(3712)	(1317)
Opening Stock (Rs. Lacs)	<b>1164.12</b>	<b>105.20</b>
	(635.96)	(104.51)
Closing Stock (MT)	<b>7595*****</b>	<b>1482</b>
	(5980)	(1446)
Closing Stock (Rs. Lacs)	<b>1303.97*****</b>	<b>102.32</b>
	(1164.12)	(105.20)
Goods Traded @		
Purchases (Rs. Lacs)	<b>1646.30*****</b>	-
	(651.61)	(-)
Sales (Rs. Lacs)	<b>1703.76</b>	-
	(694.89)	(-)

@ 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 **NIL** (previous year 2700 MT)

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

(\*\*\*) Includes **3168 MT** (previous year 2660 MT) towards calcinations of clay etc.

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

(\*\*\*\*\*) Excludes 147520 MT of NPG Bauxite valued at Rs.398.46 Lacs.

(\*\*\*\*\*) Excludes expenses on engineering services **Rs.521.08 lacs** (Previous year Rs.389.01 lacs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>NOTE - 1.1 CAPITAL COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance of Rs.Nil - previous year Rs.25 lacs)	<b>13.92</b>	642.17
<b>NOTE - 1.2 CONTINGENT LIABILITIES AND COMMITMENTS:</b>		
(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>694.21</b>	146.67
iv) Letter of credit opened by bank	<b>123.53</b>	20.93
V) Export Commitment for machinery imports under EPCG Scheme	<b>278.80</b>	-
(B) Claims against the Company not acknowledge as debt and being contested before the appropriate authorities.		
i) Excise matters*	<b>1,477.17</b>	34.11
ii) Sales tax matters	<b>9.69</b>	45.56
iii) Other matters	<b>106.66</b>	82.92

\* Includes Rs.1,364.90 lacs relating to show cause notice received for wrong availment/utilization of cenvat credit by the Company on endorsed bill of entry by Dalmia Refractories (Prop. Dalmia Bharat Ltd.) for whom the Company was doing the job work. The management is of the opinion that the show cause notice is not sustainable.

**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 of 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.

**NOTE - 1.4**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(Rs. In lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014

**NOTE - 1.5**

During the year, the Company has changed the method of determining the cost of raw material from "Yearly Weighted Average Cost Method" to "Real Time Weighted Average Cost Method". The impact of this change, if any, could not be ascertained on account of installation of the new accounting software "RAMCO" during the year.

**NOTE - 1.6**

The following expenses have been charged to other Accounts -

Salaries, Wages and Benefits to Employees	<b>125.28</b>	133.78
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**NOTE - 1.7**

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 - 1.8**

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

**NOTE - 1.9**

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

**NOTE - 1.10**

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 - 1.11**

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.91.48 lacs** (previous year Rs.86.16 lacs) towards the defined contribution plan.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**(b) Benefit plans - as per actuarial valuation on 31<sup>st</sup> March, 2015:-

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, 2015				
1 Current Service Cost	<b>21.26</b>	22.31	<b>10.84</b>	10.45
2 Interest Cost	<b>28.21</b>	27.19	<b>7.94</b>	6.97
3 Expected return on plan assets	<b>(27.23)</b>	(28.84)	-	-
4 Net Actuarial (Gain)/Loss	<b>(16.44)</b>	(6.45)	<b>0.47</b>	13.94
5 Total Expense	<b>5.80</b>	14.21	<b>19.25</b>	31.36
II Net Asset/(Liability) recognised in the Balance Sheet as at 31 <sup>st</sup> March, 2015				
1 Present value of Obligation as at year-end	<b>310.71</b>	313.40	<b>90.14</b>	88.28
2 Fair Value of plan assets as at year-end	<b>304.35</b>	311.17	-	-
3 Funded status {(Surplus/(Deficit))}	<b>(6.36)*</b>	(2.23)*	<b>90.14</b>	88.28
4 Net Asset/(Liability) as at 31 <sup>st</sup> March, 2015	-	-	<b>(90.14)</b>	(88.28)
III Change in obligation during the year ended 31 <sup>st</sup> March, 2015				
1 Present value of Obligation at the beginning of the year	<b>313.40</b>	302.06	<b>88.28</b>	77.47
2 Current Service cost	<b>21.26</b>	22.31	<b>10.84</b>	10.45
3 Interest Cost	<b>28.21</b>	27.19	<b>7.94</b>	6.97
4 Actuarial (Gain)/Loss	<b>(16.44)</b>	(6.45)	<b>0.47</b>	13.94
5 Benefits paid	<b>(35.72)</b>	(31.71)	<b>(17.39)</b>	(20.55)
6 Present Value of Obligation as at year-end	<b>310.71</b>	313.40	<b>90.14</b>	88.28
IV Change in Assets during the year ended 31 <sup>st</sup> March, 2015				
1 Plan assets at the beginning of the year	<b>313.40</b>	302.06	-	-
2 Expected return on plan assets	<b>27.23</b>	28.84	-	-
3 Employer's Contribution	<b>5.80</b>	14.21	-	-
4 Benefits paid	<b>(35.72)</b>	(31.71)	-	-
5 Actuarial gain/(loss) on plan assets	-	-	-	-
6 Plan assets at the end of the year	<b>310.71</b>	313.40	-	-
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>7.50%</b>	9%	<b>7.50%</b>	9%
2 Expected rate of return on plan assets	<b>8.75%</b>	9.25%	-	-
3 Mortality table		LIC(94-96) duly modified		LIC(94-96) duly modified
4 Salary Escalation	<b>6%</b>	8%	<b>6%</b>	8%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

## VII. Experience History :

	<b>Gratuity</b>				
	<b>2014-15</b>	2013-14	2012-13	2011-12	2010-11
1. Defined benefit obligations	<b>310.71</b>	313.40	302.06	337.01	325.39
2. Plant Assets	<b>304.35</b>	311.17	311.74	331.33	311.75
3. Surplus / (Deficit)	<b>(6.36)</b>	(2.23)	9.68	(5.68)	(13.63)
4. Experience (Loss) / Gain on plan liabilities.	<b>(16.44)</b>	(6.45)	(32.78)	(20.00)	(11.19)
5. Experience (Loss) / Gain on plan assets	-	-	-	-	-
6. Actuarial (Loss) / Gain due to change in assumption	<b>(16.44)</b>	(6.45)	(32.78)	(20.00)	11.19

## VIII. Experience History:

	<b>Leave Encashment</b>				
	<b>2014-15</b>	2013-14	2012-13	2011-12	2010-11
1. Defined benefit obligations	<b>90.14</b>	88.28	77.47	86.44	74.90
2. Plant Assets	-	-	-	-	-
3. Surplus / (Deficit)	<b>90.14</b>	88.28	77.47	86.44	74.90
4. Experience (Loss) / Gain on plan liabilities	<b>0.47</b>	13.94	(14.67)	4.91	7.75
5. Experience (Loss) / Gain on plan assets	-	-	-	-	-
6. Actuarial (Loss) / Gain due to change in assumption	<b>0.47</b>	13.94	(14.67)	4.91	7.75

\* Payment made for plan assets at the year end

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

## NOTE - 1.12

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>18,416.11</b> (8,955.05)	<b>303.48</b> (243.75)	<b>18,719.59</b> (9,198.80)
2 Inter-Segment/Unit Sales	<b>118.15</b> (40.30)	<b>605.18</b> (216.86)	<b>723.33</b> (257.16)
3 Other Revenue	<b>436.34</b> (1,709.65)	<b>0.23</b> (0.23)	<b>436.57</b> (1,709.88)
4 Unallocated Corporate Revenue	- (-)	- (-)	<b>61.23</b> (19.13)
Total Segment Revenue	<b>18,970.60</b> (10,705.00)	<b>908.89</b> (460.84)	<b>19,940.72</b> (11,184.97)
<b>RESULT (Profit before interest and corporate expenses)</b>			
Segment Profit/(Loss)	<b>493.74</b> (1,049.45)	<b>-118.18</b> (-199.31)	<b>375.56</b> (850.14)
Unallocated corporate Expenses net of Unallocated corporate revenue	- (-)	- (-)	<b>555.85</b> (447.85)
Operating Profit	- (-)	- (-)	<b>-180.29</b> (402.29)
Financial Expenses	<b>11.45</b> (16.89)	- (-)	<b>360.89</b> (219.87)
<u>Income Taxes</u>			
Current Tax	- (-)	- (-)	<b>-8.01</b> (67.00)
Deferred Tax	- (-)	- (-)	<b>-168.52</b> (-7.00)
Net Profit	- (-)	- (-)	<b>-364.65</b> (122.42)
<b>OTHER INFORMATION</b>			
Assets	<b>12,637.76</b> (8,878.08)	<b>242.76</b> (463.16)	<b>12,880.52</b> (9,341.24)
Unallocated Corporate Assets	- (-)	- (-)	<b>765.01</b> (914.73)
Total Assets	- (-)	- (-)	<b>13,645.53</b> (10,255.97)
Liabilities	<b>4,628.16</b> (2,717.96)	<b>42.38</b> (29.12)	<b>4,670.54</b> (2,747.08)
Unallocated Corporate Liabilities	- (-)	- (-)	<b>3,635.44</b> (1,772.55)
Total Liabilities	- (-)	- (-)	<b>8,305.98</b> (4,519.63)
Depreciation	<b>282.86</b> (216.66)	<b>5.89</b> (10.61)	<b>288.75</b> (227.27)
Unallocated Corporate Depreciation	- (-)	- (-)	<b>34.96</b> (6.69)
Total Depreciation	- (-)	- (-)	<b>323.71</b> (233.96)
Capital Expenditure	<b>1,611.01</b> (65.50)	- (-)	<b>1,611.01</b> (65.50)
Unallocated Corporate Capital Expenditure	- (-)	- (-)	<b>23.91</b> (2.88)
Total Capital Expenditure	- (-)	- (-)	<b>1,634.92</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015****NOTE - 1.13**

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

**A. Relationships:****(i) Key Managerial Personnel :-**

Shri C.N. Maheshwari	Chief Executive Officer	Designated as KMP w.e.f. 29.05.2014
Shri S.K. Srivastava	Chief Financial Officer	Designated as KMP w.e.f. 29.05.2014
Ms. Akansha Jain	Company Secretary	w.e.f. 26.08.2014

**(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), 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.

**(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, 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 Cement East Limited, Glow Homes Technologies Private Limited, Jayevijay Agro Farms Private Limited, OCL Global Limited, OCL China Limited, Odisha Cement Limited.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

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

**(Rs. In lacs)**

Nature of Transaction	Key Management Personnel		Promoter controlled enterprises		Total	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Sale of Goods and Services</b>						
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	2091.01	-	2091.01
Dalmia Cement (Bharat) Ltd.	-	-	<b>1367.07</b>	-	<b>1367.07</b>	-
Adhunik Cement Ltd.	-	-	<b>158.56</b>	40.34	<b>158.56</b>	40.34
Dalmia Bharat Sugar & Industries Ltd.	-	-	<b>3.61</b>	7.21	<b>3.61</b>	7.21
OCL India Ltd.	-	-	<b>320.34</b>	82.88	<b>320.84</b>	82.88
Mayuka Investment Co. Ltd.	-	-	-	0.13	-	0.13
Vinay Cement Ltd.	-	-	<b>69.65</b>	-	<b>69.65</b>	-
Alirox Abrasives Ltd.	-	-	-	0.13	-	0.13
Rama Investment Co. Ltd.	-	-	-	0.13	-	0.13
Calcom Cement (India) Ltd.	-	-	<b>760.74</b>	-	<b>760.74</b>	-
<b>Reimbursement of expenses received</b>						
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	942.14	-	942.14
Dalmia Cement (Bharat) Ltd.	-	-	-	1.63	-	1.63
<b>Purchase of goods and services</b>						
Dalmia Cement (Bharat) Ltd.	-	-	<b>28.75</b>	1.07	<b>28.75</b>	1.07
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	<b>1551.00</b>	90.50	<b>1551.00</b>	90.50
OCL India Ltd.	-	-	<b>10.67</b>	-	<b>10.67</b>	-
Alirox Abrasives Ltd.	-	-	<b>13.48</b>	-	<b>13.48</b>	-
Govan Travels (Prop.: Dalmia Bharat Sugar & Industries Ltd.)	-	-	<b>38.39</b>	48.42	<b>38.39</b>	48.42
<b>Reimbursement of expenses Paid</b>						
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	490.94	-	490.97
Dalmia Cement (Bharat) Ltd.	-	-	<b>1.83</b>	37.59	<b>1.83</b>	37.59
Dalmia Bharat Ltd.*	-	-	<b>96.07</b>	71.08	<b>96.07</b>	71.08
<b>Rent Payment</b>						
Alirox Abrasives Ltd.	-	-	-	1.80	-	1.80
Dalmia Cement (Bharat) Ltd.	-	-	<b>0.06</b>	0.06	<b>0.06</b>	0.06
Dalmia Bharat Ltd.	-	-	-	0.21	-	0.21
<b>Salary &amp; Perquisites@</b>						
Shri C.N. Maheshwari (Chief Executive Officer)*	<b>71.29</b>	-	-	-	<b>71.29</b>	-
Shri S.K. Srivastava (Chief Financial Officer)	<b>26.15</b>	-	-	-	<b>26.15</b>	-
Ms. AkanshaJain (Company Secretary)	<b>1.48</b>	-	-	-	<b>1.48</b>	-
<b>Outstanding Balance as at the year</b>						
<b>Amount (receivable)</b>						
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	278.51	-	278.51
Alirox Abrasives Ltd.	-	-	-	0.08	-	0.08
OCL India Ltd.	-	-	<b>73.28</b>	8.86	<b>73.28</b>	8.86
Adhunik Cement Ltd.	-	-	<b>21.85</b>	40.34	<b>21.85</b>	40.34
Dalmia Cement (Bharat) Ltd.	-	-	<b>140.13</b>	-	<b>140.13</b>	-
Calcom Cement (India) Ltd.	-	-	<b>116.29</b>	-	<b>116.29</b>	-
Vinay Cement Ltd.	-	-	<b>9.13</b>	-	<b>9.13</b>	-
Shri S.K. Srivastava (Chief Financial Officer)**	<b>2.62</b>	-	-	-	<b>2.62</b>	-
<b>Amount (Payable)</b>						
Dalmia Bharat Ltd.	-	-	<b>15.87</b>	-	<b>15.87</b>	-
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	<b>6.59</b>	-	<b>6.59</b>	-
Dalmia Cement (Bharat) Ltd.	-	-	<b>3.83</b>	-	<b>3.83</b>	-
Govan Travels (Prop.: Dalmia Bharat Sugar & Industries Ltd.)	-	-	<b>2.70</b>	3.05	<b>2.70</b>	3.05
<b>Deposit (Payable)</b>						
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	125.00	-	125.00

- @ Figures are for complete financial years for CEO &amp; CFO and for Company Secretary w.e.f. 26.08.2014.

- \* Amount reimbursed to Dalmia Bharat Ltd., For the services of CEO.

- \*\* Loan given as per the Company's policy

- For investments in above enterprises refer Note-13

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### NOTE - 1.14

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 Creditors	<b>USD 1255520</b> (USD 275820)	<b>785.83</b> (165.77)
Buyer's Credit	<b>USD 1102000</b>	<b>689.75</b>
Advance from Customer	<b>USD 100000</b>	<b>62.59</b>
Balance in EEFC Account	<b>USD 129208</b>	<b>80.87</b>
	Closing Rate 1USD=Rs.62.59 (60.10)	-
Purchase of Fixed Assets	Euro (724000) Closing Rate 1Euro = (83.85)	(607.09)
Hedged Foreign Currency	<b>USD 220000</b> 64.90	<b>142.78</b>

(Rs. In lacs)

Particulars	As at 31 <sup>st</sup> March, 2015 Rs.	As at 31 <sup>st</sup> March, 2014 Rs.
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### NOTE - 1.15 - Earning per share as required by Accounting Standard (AS-20):

Profit After Taxation	<b>(364.65)</b>	122.42
Add/(Less) Income tax adjustments for earlier years	<b>(8.01)</b>	-
Profit for computation of Earning Per Share	<b>(372.66)</b>	122.42
Weighted Average No. of equity shares issued & subscribed	<b>31,52,084</b>	31,52,084
Basic Earning Per Share	<b>(11.82)</b>	3.88
Diluted Earning Per Share	<b>(11.82)</b>	3.88

### NOTE - 1.16 - Deferred Tax as required by Accounting Standard (AS-22):

(Rs. In lacs)

Particulars	As on 1 <sup>st</sup> April, 2013 Rs.	Charge (Credit) Rs.	As on 1 <sup>st</sup> April, 2014 Rs.	Charge (Credit) during the year Rs.	As on 31.03.2015 Rs.
<b>(A) Deferred Tax Liability</b>					
Difference between Book & Tax Difference	293.00	<b>(3.00)</b>	290.00	<b>16.00</b>	<b>306.00</b>
<b>(B) Deferred Tax Assets</b>					
Disallowance u/s 43B of the Income Tax Act, 1961	46.00	<b>(4.00)</b>	50.00	<b>3.37</b>	<b>53.37</b>
Unadjusted depreciation & Business Loss	-	-	-	<b>(187.29)</b>	<b>187.29</b>
Net Liability	<u>247.00</u>	<u><b>(7.00)</b></u>	<u>240.00</u>	<u><b>(174.66)*</b></u>	<u><b>65.34</b></u>

\* Includes Rs.6.14 lacs which has been credited in Reserve & Surplus

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

Chartered Accountants  
Firm Registration No.000756N

**KAMAL KISHORE**  
Partner

Membership No.078017

C.N. Maheshwari  
Chief Executive Officer

S.K. Srivastava

Akansha Jain

**For and on behalf of the Board**

Deepak Thombre  
Director  
DIN:02421599

P.D. Mathur

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****(Rs. In lacs)**

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	
<b>A. Cash Flow from Operating Activities</b>			
Net Profit/(Loss) before Tax	(541.18)		182.42
Adjustments for :			
Depreciation	323.71	233.96	
Write-off of Fixed Assets & Lease Money	-	53.10	
Provision for doubtful debts and bad debts W/off	-	3.34	
Amount written back	(53.93)	(11.10)	
Loss on Sale of Fixed Assets	-	0.13	
Loss on Sale of Investments	-	-	279.43
Profit on Sale of Fixed Assets	(0.45)	(36.86)	
Profit on Sale of Investments	-	(0.01)	(36.87)
Interest paid	360.89	219.87	
Interest received	(11.78)	(14.83)	
Dividend received	(7.01)	(7.41)	197.63
Operating Profit before Working Capital changes	70.25		622.61
Adjustments for :			
Trade and Other Receivables	(1000.98)	(162.00)	
Inventories	(996.11)	(261.43)	
Trade Payables	1121.45	469.56	46.13
Cash Flow from Operating Activities	(805.39)		668.74
Direct Taxes paid/Refunds received (Net)	(58.92)		(76.89)
Net Cash Flow from Operating Activities	(864.31)		591.85
<b>B. Cash Flow from Investment Activities</b>			
Purchase of Fixed Assets	(1634.92)	(68.38)	
Sale of Fixed Assets	0.45	37.10	
Sale of Investments	-	15.15	
Purchase of Investments	(0.02)	(0.42)	
Interest Received	11.28	14.51	
Dividend	7.01	7.41	5.37
Net Cash from Investment Activities	(1616.20)		5.37
<b>C. Cash Flow from Financing Activities</b>			
Issue of Share Capital	-		-
Government Subsidy credit to Capital Reserves	-		-
Secured Loans			
Long Term	264.95	(242.50)	
Short Term	2645.27	(18.27)	(260.77)
Dividend paid	(32.64)	(45.21)	
Corporate Dividend Tax	(5.36)	(8.04)	
Interest paid	(358.59)	(211.98)	(265.23)
Net Cash from Financing Activities	2513.63		(526.00)
<b>D. Net increase in Cash and Cash equivalents</b>			
Cash and Cash Equivalents			
Opening Balance as at 1.4.2014	178.02*		106.80*
Closing Balance as at 31.3.2015	211.14*		178.02*

\* Includes Fixed Deposit of Rs.3.47 lacs (previous year Rs.3.43 lacs) having maturity date exceeding 12 months.

For S.S. KOTHARI MEHTA &amp; CO.

For and on behalf of the Board

Chartered Accountants  
Firm Registration No.000756NC.N. Maheshwari  
Chief Executive OfficerDeepak Thombre  
Director  
DIN:02421599KAMAL KISHORE  
Partner  
Membership No.078017S.K. Srivastava  
Chief Financial OfficerAkansha Jain  
Company SecretaryP.D. Mathur  
Director