

DALMIA SEVEN REFRACTORIES LIMITED

4, SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI-110001

E-Mail:snccl@dalmiarf.com

To,
The Members of
Dalmia Seven Refractories Limited

Your Directors are pleased to present the First Annual Report together with the Company's audited financial statements for the period from 16th December, 2016(date of incorporation) till the financial year ended on 31st March, 2017.

Financial Results

	Amount (Rupees)
Profit/(Loss) for the year	(90,188)
Less: Provision for Taxation	
For current year:	-
For earlier years:	-
Profit/ (Loss) after Taxation	(90,188)
Add: Surplus from previous year	-
Surplus carried to Balance Sheet	(90,188)

Note: Previous year figure is not available as this is the first year of operation.

STATE OF THE COMPANY'S AFFAIRS

The Company has been incorporated as a wholly owned subsidiary of Dalmia Refractories Limited on 16th December, 2016 with the main object of manufacturing and trading of monolithic refractories.

DIVIDEND

Since, the Company is newly incorporated and has not commenced commercial operations, your Directors do not recommend any dividend for the Financial Year ended on 31st March, 2017

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company for the Financial year 2016-17.

TRANSFER TO RESERVES

In view of losses, your Directors do not propose transfer of any amount to Reserves.

MATERIAL EVENTS

On 6th April, 2017, a Shareholders' Agreement was entered amongst the Company, its holding Company namely Dalmia Refractories Limited and Seven Refractories GesmbH, which is a leading and fast growing European player in Monolithic Refractories headquartered at Austria, to develop and supply a wide range of monolithic refractory products and rendering of services incidental thereto.

In terms of the said agreement, Dalmia Refractories Limited will hold 51% equity share capital of the Company and Seven Refractories GesmbH will hold 49% equity share capital of the Company.

Pursuant to this, rights issue of 9,20,000 Equity Shares to Dalmia Refractories Limited and preferential issue of 9,80,000 Equity Shares to Seven Refractories GesmbH is pending allotment.

Apart from this, the Company does not have any other subsidiary, associate or joint venture Company.

EXTRACT OF ANNUAL RETURN

In compliance with the provisions of Section 92(3) 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.

MEETINGS OF THE BOARD:

During the financial year under review, the Board of Directors duly met two times on 6th January, 2017 and 15th February, 2017. The time gap between the two consecutive meetings did not exceed one hundred and twenty days.

DIRECTORS

Shri Sameer Nagpal, Shri C.N. Maheshwari and Shri Sudhir Kumar Srivastava were appointed as the First Directors of the Company whose term of office is liable to expire at the ensuing Annual General Meeting.

The Company has obtained necessary declarations from the Directors to the effect that they have not incurred any disqualification and are eligible to be re-appointed/ appointed as Directors of the Company.

EMPLOYEE REMUNERATION

During the period under review, there was no employee in the Company. As such, no employee was in receipt of remuneration in excess of the limits prescribed.

PATICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review your Company has not entered into the transactions falling within the purview of Section 186 of the Companies Act, 2013 and rules made thereunder, therefore no loan has been taken by the Company during the year under review nor any investment made or guarantee given on behalf of any other person by the Company.

PARTICULARS OF CONTACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review your Company has not entered into any materially significant related party transactions with any Related party, Promoters, Directors or other designated persons which may have a potential conflict with the interest of Company at large.

RISK MANAGEMENT

The Company is taking initiatives to establish an adequate risk management framework wherein the management will identify and monitor business risks on a continuous basis, and initiate appropriate risk mitigation steps as when deemed necessary.

AUDITORS

M/s S.S Kothari Mehta & Co. (Firm Regn No. 000756N) Chartered Accountants, were appointed by the Board of Directors of the Company as the first Auditors and they hold office upto the conclusion of the ensuing Annual General Meeting. Pursuant to section 139 of the Companies Act, 2013, they can be appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of its sixth Annual General Meeting. M/s S.S. Kothari Mehta & Co., Chartered Accountants are eligible for re-appointment and have, pursuant to section 141 of the Companies Act, 2013, furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company and that their appointment, if made, would be within the ambit of section 139 of the Companies Act, 2013.

The Board of Directors have recommended the appointment of M/s S.S Kothari Mehta & Co., Chartered Accountants as the Auditors of the Company for a period of five years till the conclusion of sixth next Annual General Meeting.

The report of the Statutory Auditors is self explanatory and does not contain any qualification or adverse remark requiring clarification from the Board.

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

During the period under review, the Company had no activity relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, hence the Directors have nothing to report on information falling under sub-section (m) of Section 134(3) of the Companies Act, 2013.

DEPOSITS

The Company has not accepted any deposits from the public during the period under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Based on the adherence to framework of internal financial controls and compliance system followed by the holding company and work performed by Statutory Auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2017.

DISCLOSURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year under review, there were no employees in the Company. The Holding Company of the Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received from sexual harassment.

Apart from disclosures made in the report, no other material changes and commitments have occurred, after the close of the year till the date of this report, which affect the financial position of the Company.

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 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 for assistance and continued support to the Company from its Bankers, State and Central Government agencies, employees and other stakeholders of the Company.

For and on behalf of Board

Place: New Delhi
Dated: 01.05.2017

SAMEER NAGPAL
DIRECTOR
DIN : 06599230

C.N. MAHESHWARI
DIRECTOR
DIN: 00125680