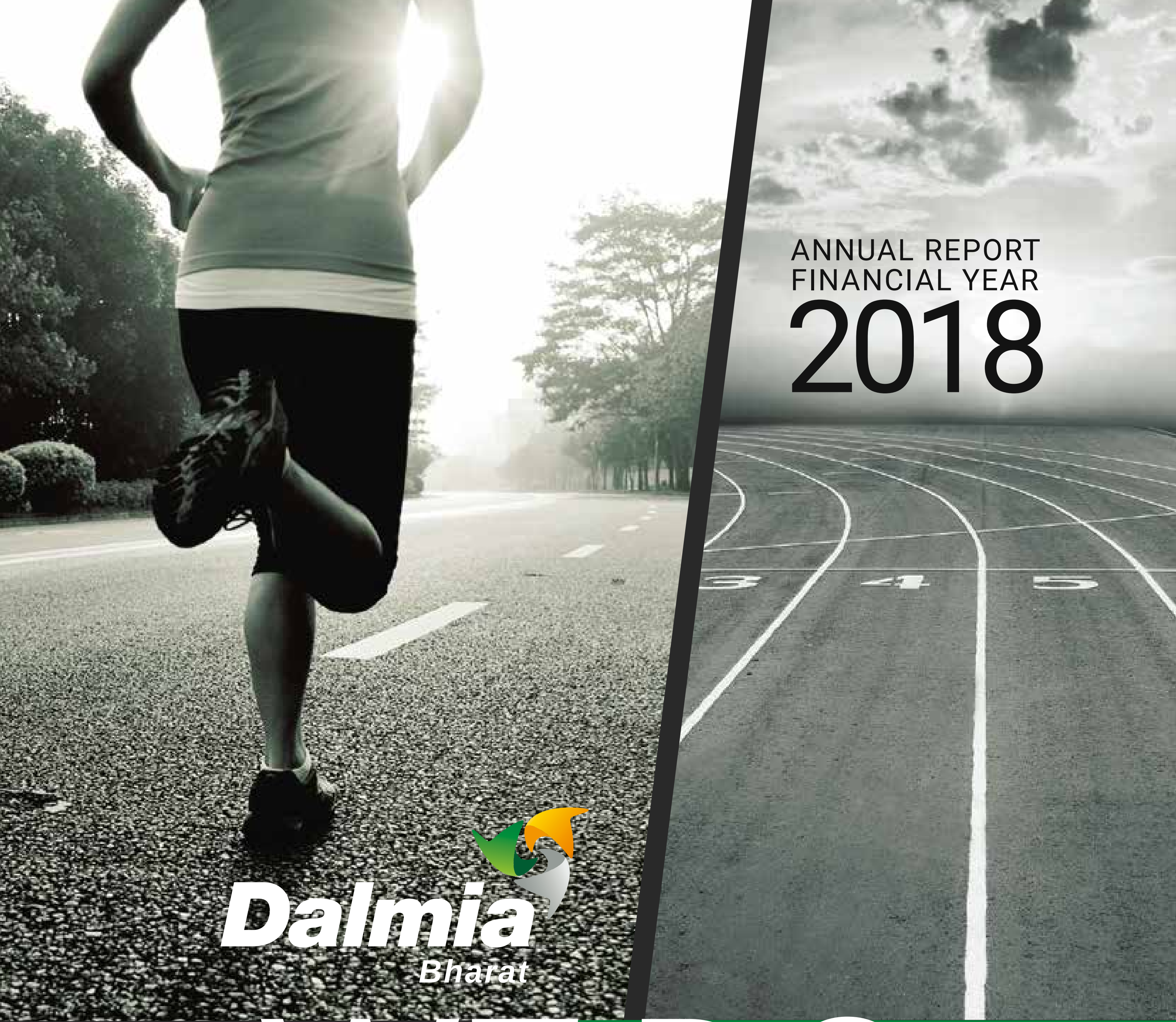


ANNUAL REPORT FINANCIAL YEAR 2018

WE DO

ODISHA CEMENT LIMITED
Pursuant to the restructuring Schemes and upon approval u/s 13 of the Companies Act, 2013, the Company shall be renamed as DALMIA BHARAT LIMITED

Disclaimer/forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless defined/provided otherwise elsewhere in this Annual Report, the term "Dalmia Bharat"/"Group" mentioned in this Annual Report refers collectively to the Company, its subsidiaries, step down subsidiaries, joint venture companies and associate companies.

Contents

WE DO


WE THINK.
WE PLAN.
WE COLLABORATE.
THE RESULT IS THAT *'WE DO'*.

4
things you need to know about the Company's story

Pervasive: Dalmia Bharat is one of the top five cement manufacturing companies/groups in India. It holds the leadership position in the production of Portland Slag Portland Pozzolana and speciality cements. The Group enjoys a significant presence in South, East and North East India and is now building its presence in the West.

Pedigree: The Group's commitment 'to unleash the potential of everyone we touch' reiterates, reflects and reports, a core philosophy the Group has showcased since 1939. The Group has always respected the environment, operated with stakeholder responsibility and enhanced the intrinsic value of its business, customers, community and country.

Milestones

2007
- Brownfield expansion at Dalmiapuram, Tamil Nadu

2010
- Commissioned Ariyalur and Kapada plants
- KKR, a Mauritius based Private Equity Firm, acquired 15% stake in DCBL

2013
- Entry into North East through acquisitions

2014
- Acquired Jaypee Plant in Bokaro to strengthen operations in Eastern India

Ethical: The Group's values-based approach has been based around the guiding principles of respect, dignity, responsibility, ownership, commitment, honesty, initiative, innovation, collaboration and faith. This foundation helps the company attract the best talent, create leaders at every level and emerge as a sectoral model.

Responsible: Being one of the oldest business houses in India, Dalmia Bharat recognizes the responsibility of upholding sustainable business practices. The Group's endeavour is to substitute conventional fossil fuels and raw materials with alternative solutions and enhance social responsibility, thereby improving the lives of millions.

Cement plant, Ariyalur, Tamil Nadu

2015

- Fired kilns at our Karnataka and Assam plants
- Took full ownership of OCL India Limited thus scaling aggregate capacity to 25 MnT

2016

- Announced the amalgamation of the Company and its subsidiaries

2017

- Successful equity exit of the global private equity firm KKR from the Company
- Launched the Craft Béton collection

2018

- Took over stressed assets under IBC – Kalyanpur Cement Limited (1.1 MnT, renamed Dalmia DSP Limited) in Bihar
- Announced capacity addition of 7.8 MnT in the Eastern region

‘WE DO’

More than just a response. A philosophy at the Company instead.

Indicates that with caution, even a disadvantage can be turned into an advantage

Indicates that it is better to do something than engage in endless strategy meetings.

Indicates that brief action prevails over sustained thought.

Indicates that we empower our people to believe they ‘own’ the processes rather than merely plugging a functional gap.

Vidyasagar Setu, Kolkata

Indicates that we pool our capabilities rather than address problems standalone.

Indicates that while realities can be distracting, possibilities can be exciting.

Indicates that we understand that inactivity could be a bigger cost than doing something and temporarily getting it wrong.

Indicates that the culture is not as much about finding the right answers as much about inspiring people with the right questions.

How we sustained the 'We Do' ethic in 2017-18 through amalgamation

Right at the outset, we must communicate that we reported a successful 2017-18.

1

We initiated a number of cost-efficient initiatives.

2

We invested in aggressive brand-building.

3

We explored new markets.

4

We focused on de-bottlenecking and efficiency maximization.

5

But more than anything, our 'We Do' commitment was reflected in the scheme of **amalgamation** and the creation of a single listed entity

6

This amalgamation was conducted to ensure a larger, more competitive and more sustainable company.

7

How we expect to benefit from the amalgamation

At the Company, we believe that the amalgamation is value-accretive for all the stakeholders.

1

One, it will lead to simplification of corporate structure from 6 subsidiaries to 2 subsidiaries.

2

Two, the number of listed entities will reduce from two to one.

3

Three, free float will increase from ~43% to ~47%.

4

The spirit of 'We Do' has transformed the Company into one of India's fastest growing cement groups

MANPOWER

IN FY 2008,
the number of employees stood at **1,250**.

IN FY 2018,
the number of on-roll employees stood at **5,836**.

CORPORATE STRUCTURE

IN FY 2008,
the business was a conglomerate comprising cement, sugar and other businesses.

IN FY 2018,
pure-play businesses emerged, with respective entities for cement, sugar and the refractory business.

CAPACITY

IN FY 2008,
the Company possessed **3.5 MnT** per annum of cement manufacturing capacity.

IN FY 2018,
the Company possessed **25 MnT** per annum of capacity, one of the top five in India's cement sector.

FOOTPRINT

IN FY 2008,
the Company had 1 plant in 1 state.

IN FY 2018,
the Company had grown to 12 plants in 8 states.

PRESENCE

IN FY 2008,
the Company had a regional presence in South India.

IN FY 2018,
the Company enjoyed a significant presence in the South, East and North East India and is now building its presence in the West.

REVENUES

IN FY 2008,
the Company generated revenues of Rs. 1,645 crore

IN FY 2018,
the Company reported revenues of Rs. 8,581 crore.

EBITDA

IN FY 2008,
the Company reported an EBITDA of Rs. 633 crore
(combined entity of cement, sugar and other businesses)

IN FY 2018,
the cement company reported an EBITDA of Rs. 2,014 crore

MARKET CAPITALIZATION

IN FY 2008,
the market capitalization of the Company was Rs. 2,302 crore as on 31st March, 2008
(combined entity of cement, sugar and other businesses)

IN FY 2018,
the market capitalization of the cement company was Rs. 25,551 crore as valued on 31st March 2018

We lived the 'We Do' philosophy in 2017-18 as well

Financials

The Indian economy (GDP) grew 6.7% in 2017-18.
Source: Central Statistical Office

The Company's revenues grew 15% from Rs. 7,447 crore in FY2016-17 to Rs. 8,581 crore in FY2017-18

The Company repaid Rs. 772 crore of debt during the year. Net debt stood at Rs. 3,494 crore in 2017-18

The Company's cash profit grew ~20% from Rs. 1,334 crore in FY2016-17 to Rs. 1,602 crore in FY2017-18; EBITDA improved 6% from Rs. 1,895 to Rs. 2,014 crore

The Company's net debt-to-EBITDA ratio improved from 2.76x in FY2016-17 to 1.73x in FY2017-18

The Company continued to invest in business-strengthening initiatives

Operational

The Indian cement sector volume grew 6.3% in 2017-18.
Source: IIP data

The Company's sales volumes grew 11% from 15.30 MnT in FY2016-17 to 16.96 MnT in FY2017-18*

There was a 29% y-o-y increase in pet coke prices and 57% y-o-y increase in slag prices.

To counter the cost increases, the Company focussed on product mix, input cost, logistics and other operating factors

Continuing focus on sustainable operations.

Commissioned a 9.2-MW WHRS at Rajgangpur (Odisha) in FY2017-18 with plans for additional 30-MW capacity at other locations.

* including cement and clinker

From the MD's Desk

Gautam Dalmia (right) and Puneet Yadu Dalmia (left), Managing Director(s), on the **'We Do'** culture

Our vision is to sustain our position among the largest cement groups of India.

Dear stakeholders,

We take pleasure in addressing you during a year when we completed the amalgamation of Dalmia Bharat Limited (DBL) and OCL India Limited (OCL) and the various subsidiary companies. We created a single listed company which is not only the best within its industry, but also one of India's most profitable and respected organization.

When we set course on the journey to realize this vision, we had recognized the need to invest in a culture of disciplined execution and prudent capital allocation neatly encapsulated in two words: **'We Do'**.

The effectiveness of this **'We Do'** approach could be seen in our decisions and performance over the last decade. Your Company had relatively comprehended the dynamics of the cement industry a decade ago. Its **'We Do'** commitment manifested in a proactive combination of organic and inorganic growth strategy. The result is that we expanded from a capacity of 3.5 MnT per annum in 2008 to 25 MnT per annum today, with almost 55% of growth coming through acquisitions.

Concurrently, Dalmia Bharat has expanded from one region to a multi-regional presence.

The amalgamation represents a major milestone in our journey. The amalgamation would benefit us through a complete interest alignment within the group, as detailed below:

- Simplification of the group corporate structure
- Streamlined decision-making; superior

and synergic resource utilization

- Rationalization of regulatory compliances
- Consolidation of operations resulting in enhanced cash flow management
- Improved float and trading liquidity

At Dalmia Bharat, we believe that this consolidated platform will not only strengthen our position as one of the leading cement groups in India but also enhance shareholder value.

This **'We Do'** credo also strengthened our responsiveness to prevailing sectoral realities.

The Government's affordable housing push and increased infrastructure spends, catalysed by a rise in disposable incomes, generated 6.3% growth in the country's cement sector during the year under review. The first six months of the current financial year have also witnessed a robust cement demand growth across various micro-markets in the country. The cement industry continued to witness rapid transition from fragmented markets to a consolidated industry, due to fundamental changes in the limestone auction mechanism, land acquisition laws, etc.

The Insolvency and Bankruptcy Code (IBC) was another catalyst in the sectoral consolidation. During the financial year 2017-18, three cement companies were admitted to the insolvency process. Your Company emerged as the first company to successfully close a cement acquisition under the IBC - Kalyanpur Cement Limited, now known as Dalmia DSP Limited.

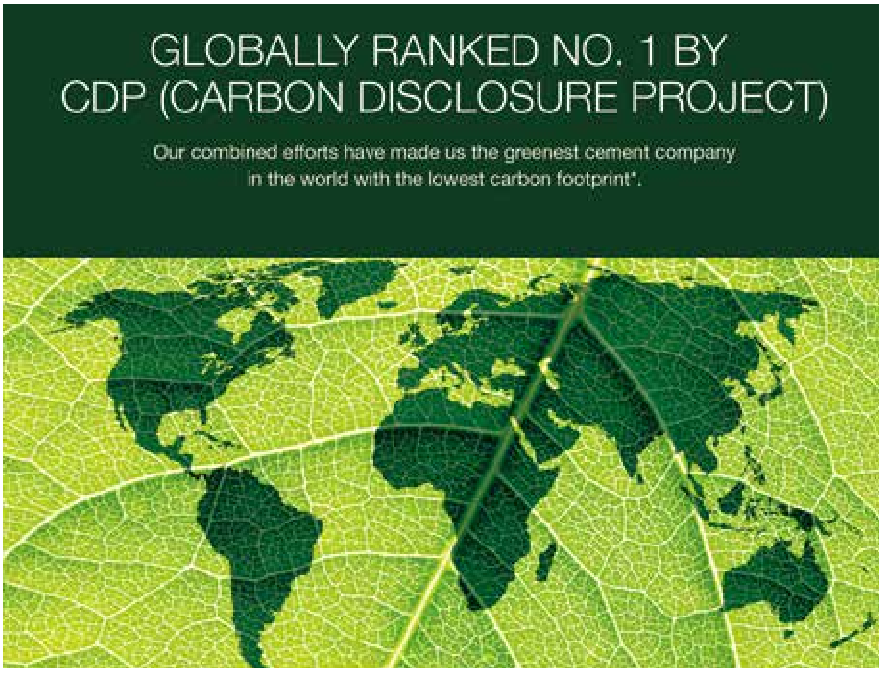
As we enter this year of our operations, we are optimistic of our prospects as the key fundamentals are appearing to be highly positive with both the Central and State governments focusing on infrastructure development and housing.

We expect India's projected GDP growth to be the fastest as compared to other economies in the next two years. In light of this, we expect to move ahead by leveraging our consistent **'We Do'** commitment and prudent brand positioning to generate long-term growth.

Your Company expects to play a decisive and inclusive role in this dynamic environment. We will continue to embrace the responsibility of societal payback, inculcating a culture of empowerment through enriched knowledge and enhanced skill sets. We continue to focus on carbon footprint moderation to among the lowest global levels. We will continue to reinforce our Balance Sheet strength through disciplined capital deployment and enhanced operational efficiencies, leading to sustainable cash flows. Most importantly, the **'We Do'** philosophy will continue to resonate in each individual of the Dalmia Bharat team.

We extend our gratitude to all our stakeholders - Government, bankers, equity partners, Board of Directors, community members and employees for sustaining their faith in the Company and look forward to living up to their trust.

Gautam Dalmia and
Puneet Yadu Dalmia



* GNR data of Cement Sustainability Initiative member companies

Our strategic intent (**'We Do'**) has extended from the apex to virtually every tier, function and location of our organization. Over the last decade, this 'We Do' commitment has manifested in our acquisition-led inorganic growth strategy, now accounting for ~55 per cent of our capacity expansion following 2008

Our impressive environmental record

How 'We Do' translated into our big picture

670

The Company's carbon footprint, FY2013-14 (data of 3 plants)

(kg per tonne of cementitious product)

537

The Company's carbon footprint, FY2017-18 (data of 11 plants)

(kg per tonne of cementitious product)

0.64

The Company's energy productivity, FY2009-10

(TJ/million INR)

0.43

The Company's energy productivity, FY2017-18

(TJ/million INR)

Big achievement

The Company was ranked #1 in 2017-18 in the global cement sector by CDP (formerly Carbon Disclosure Project) for business readiness to a low carbon transmission.

Overview

At the Company, we do not merely focus on running a business that manufactures and markets more. We are also focused on running a business that consumes less and wastes less.

This priority is on account of a number of reasons.

1, we believe that the most successful, profitable and sustainable companies are ones that profess the highest environment standards.

2, we believe that green business is future-ready because it builds higher efficiencies into the operating model.

3, we believe that environmentally clean businesses are less vulnerable to societal and environmental risks.

The result is that over the last decade, one of the principal drivers of our corporate strategy is a growing transformation from a grey product into a green alternative.

At the Company, this transformation has been underscored by various initiatives.

We invested in low carbon technologies that have since translated into enhanced resource and energy efficiency.

We progressively increased the proportion of environment-friendly blended cement within our product mix to ~80%, reducing the Company's carbon footprint while addressing waste disposal issues of other industries.

Achievements, 2017-18

The Company strengthened its commitment of safeguarding the environment during the year under review.

- The Company pledged to the ethic of 'Waste-Proofing the Future' as one of eight members of an Indian industry consortium on the occasion of World Environment Day, committing to identify institutional and policy interventions to sustainably manage waste
- As the first global cement company to commit to the RE100 and EP100 campaigns, we commissioned a 9.2 MW waste heat recovery system at Rajgangpur (Odisha).
- The Company strives to be the highest alternate raw material user in the cement sector.

Water neutrality and the Company

At the Company, we embarked on a mission to attain water positive operations across every single integrated cement manufacturing plant across the foreseeable future, strengthening our sustainable growth direction.

- The Company optimized the consumption of alternate fuel use from 0.6% Thermal Substitution Rate (TSR) in FY2012-13 to ~4% in FY2017-18.
- The Company reduced freshwater consumption on one hand while building rainwater harvesting structures (3x its requirement) on the other, thereby, strengthening water security and benefiting local communities
- The Company moderated its carbon footprint by 36% between 1990 and 2018, while registering a greater than 2x increase in energy productivity as compared to 2005.
- The Company reported one of the lowest carbon footprints among global cement manufacturers (330 kilograms per tonne) in its Eastern India cement operations.

Outlook

The Company intends to commission an additional 30 MW waste heat recovery system to enhance its renewable power capacity beyond 50 MW (22% of the total power capacity).The Company aims to increase its annual water harvesting capacity to 5x its annual consumption by 2020.

Electricity consumption per tonne of cement produced (KWh)

72 In 2014-15

69 In 2017-18

Number of water-neutral plants

0 In 2014-15

3 In 2017-18

Water recycled (in million m³)

0.24 In 2014-15

0.80 In 2017-18

Total renewable energy capacity (MW)

0 In 2014-15

17 In 2017-18

The Company and ‘green’ initiatives

Engaged in harvesting rainwater in catchment areas and maintained local water bodies

Eliminated secondary blasting through rock breakers

Installed drilling machines with in-built dust collection and mist systems

Engaged with iron and steel, petroleum refineries, power, pharmaceutical and aluminium sectors to utilize their wastes in its cement manufacturing process as an alternative fuel or raw material

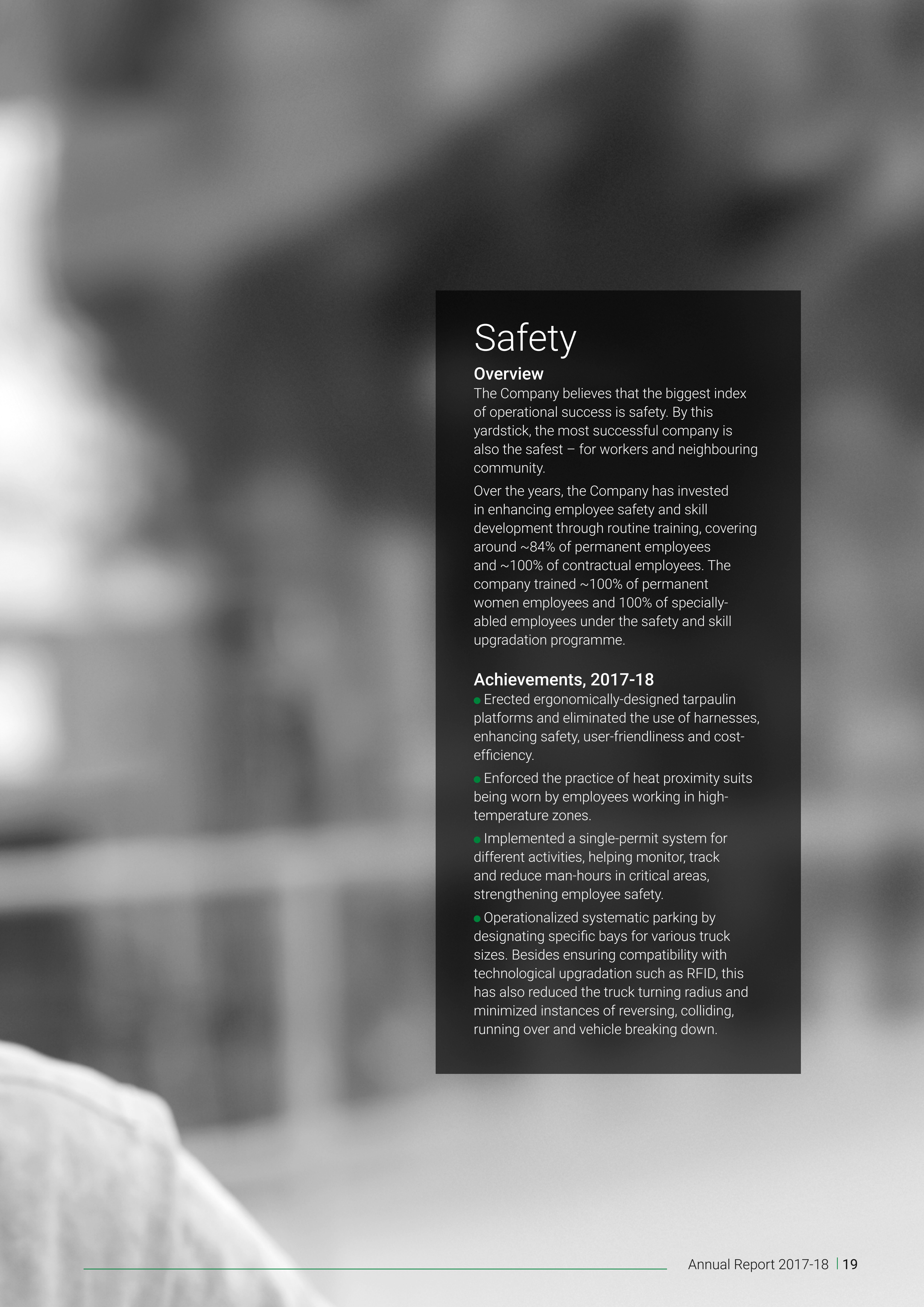
Installed air-cooled condensers in captive power plants

Undertook horticulture projects

Water-positive status and the Company

The Company achieved ‘water-positive’ status at the Group-level in FY2016-17.

Recreational green development zone at Dalmiapuram Mine



Safety

Overview

The Company believes that the biggest index of operational success is safety. By this yardstick, the most successful company is also the safest – for workers and neighbouring community.

Over the years, the Company has invested in enhancing employee safety and skill development through routine training, covering around ~84% of permanent employees and ~100% of contractual employees. The company trained ~100% of permanent women employees and 100% of specially-abled employees under the safety and skill upgradation programme.

Achievements, 2017-18

- Erected ergonomically-designed tarpaulin platforms and eliminated the use of harnesses, enhancing safety, user-friendliness and cost-efficiency.
- Enforced the practice of heat proximity suits being worn by employees working in high-temperature zones.
- Implemented a single-permit system for different activities, helping monitor, track and reduce man-hours in critical areas, strengthening employee safety.
- Operationalized systematic parking by designating specific bays for various truck sizes. Besides ensuring compatibility with technological upgradation such as RFID, this has also reduced the truck turning radius and minimized instances of reversing, colliding, running over and vehicle breaking down.

Our consistent manufacturing excellence

When Alliance aircraft ATR 42 touched down for the first time at the Pasighat Advanced Landing Ground in remote Arunachal Pradesh, we found it ironical to use the term 'ground-breaking'.

Pasighat in Arunachal Pradesh is 540 kms from Guwahati.

A journey from Assam's capital to this remote outpost normally took more than 5 hours in the past. The result of the remoteness was that Pasighat went off the radar of people's consciousness.

In 2009, the government identified an Advanced Landing Ground that paved the way for the air force and, later in 2017, commercial air services commenced in Pasighat.

When the first passenger stepped off the aircraft, it was a proud moment for the country's aviation ministry, the airline – and our Company.

The passenger walked on the result of our labour – literally. The tarmac has been constructed using OPC 43 grade cement from our company.*

**72, 872 tonnes for seven Advanced Landing Ground locations*

Big 'We Do' achievement

43%

Our capacity utilization in FY2014-15

68%

Our capacity utilization in FY2017-18

Overview

At the Company, we recognize that in a capital-intensive cement business there is a need to maximize manufactured output and reduce conversion costs, thereby strengthening business sustainability.

The increase in manufactured output makes it possible for the company to place products in markets, preventing stock-outs and capitalizing on every demand upturn with timely sale.

Besides, the increase in output makes it possible to enhance the confidence of the trade channels in the company's product supply consistency, drawing a larger number of trade partners to work with the company.

At the Company, this supply consistency has been derived from a prudent investment in cutting-edge technologies and employee empowerment. The combination has made it possible for the company's plants to operate at a high capacity utilization, strengthening return on invested capital.

Initiatives, 2017-18

In line with the 'We Do' commitment, the company strengthened its

Alliance aircraft lands at Pasighat airstrip

manufacturing excellence through the following initiatives:

- The Company incorporated a three-pronged approach - higher production, continuous monitoring and cross-plant collaboration– which enhanced capacity utilization
- The Company upgraded kiln burners with next-generation variants (with less primary and air conveying requirements), reducing fuel consumption
- The Company commenced a project to increase cement kiln volumetric loading, scaling existing capacity through effective equipment utilization and de-bottlenecking
- The Company deployed standout performers across various plants and divisions to improve the techno-commercial culture

Outlook

The Company intends to enhance asset utilization and productivity, optimize heat consumption and reduce power consumption per tonne of cement produced.

The Company is competently placed to address the national cement demand growth (projected 8% in FY19 and FY20*) as well as attractive double-digit consumption growth in Eastern India. The higher cement availability will empower the company to feed existing markets with regular supply, translating into a higher market presence, recall and share.

*(*Source: Goldman Sachs Research Report)*

How we have grown our capacity

Year	2007-08	2017-18
Capacity (MnT)	3.5	25.0

Production volume

Year	2007-08	2017-18
Production (MnT)	3.3	17.0

Investing in cutting-edge Research & Development

The customer asked: 'You can fight a slowdown alright. But let me see you fight water for a change...'

The government decided to bring light to the villages of Arunachal Pradesh through the power of moving water.

The HCC PARE Hydro-electric Project in rural Arunachal Pradesh was undertaken by Hindustan Construction Company (for client NEEPCO) to harness the hydropower potential of the Dikrong River (Brahmaputra tributary).

The project was critical in enhancing the self-sufficiency of Arunachal Pradesh. The 110 MW project addressed a catchment area of 824 Sq. Km with a 63 m concrete gravity dam and 2.828 km Head Race Tunnel.

The project warranted the use of the best cement quality. Various brands were short-listed; diverse grades were considered.

Finally, the project short-listed one that comprehensively addressed all requirements – material, quality, proximity and price.

Dalmia was the preferred choice*.

**42% cement used for the project was supplied by Dalmia*

Overview

At the Company, 'We Do' is the logical extension of measured planning across various areas directed at new ways of doing old things.

Over the years, the company invested in cutting-edge manufacturing technologies to enhance product design, development and application. Besides, the company strengthened process and product technologies, moderating costs on the one hand and enhancing product integrity on the other.

The Company invested Rs. 6 crore in FY2017-18 in a world-class R&D centre in Chennai focusing on advanced research (microscopy, mineralogy, high temperature kinetics, physical and chemical tests, construction and concrete technology as well as design and development of high-performance chemical additives). The Company's research team comprises of analysts and scientists from reputed institutions such as IIT Delhi for conducting high-end research.

Highlights, 2017-18

- The Company launched a new Portland Composite Cement product, combining the use of fly ash and slag (addressing mortar and concrete applications)
- The Company increased the use of alternative cost-effective fuels
- The Company employed high-performance chemical additives to enhance cement quality

CCR Room, Ariyalur

The Company's Digital Leadership Programme

- Our 'We Do' commitment has been strengthened through continuous digital investments directed to achieve end-to-end transformation of the overall supply chain
- The Company rolled out the Suvidha mobile App to enable customers to place their orders round-the-clock
- A centralized order processing unit will ensure orders are placed on the basis of inventory, service and capacity
- A dedicated module will allocate vehicles through the web and mobile
- Truck visibility will be enabled by GPS
- Digital Solutions Tower provides real-time visibility of plant and depot logistics operations
- Electronic proof of delivery launched to facilitate integration of network channels, accounts reconciliation and faster payouts (to be followed by automated transporter billing and payment mechanism)
- Commenced an order-to-delivery project around Kadapa plant (Rayalseema region) to ensure on-time product delivery
- Back-end logistics analytics team will mine data and patterns, strengthening customer service.

Our branding and marketing competence

At the Company, it wasn't enough to merely capture market share; it was important to create markets instead.

At the Company, we continue to focus on what kind of structures are being built, how tall buildings are getting, how large floor-plates are being designed – with the objective to understand how we should keep evolving the quality of our products.

This real-time insight into the evolving needs of our customers translated into the launch of Dalmia DSP, a super-premium cement variety.

Dalmia DSP began where most cement brands ended, armed with Delta 25 power and positioned as a Concrete Expert. Dalmia DSP provided superior fineness, strength, durability, uniform finish and a first-in-the-industry shower-proof and tamper-proof packaging.

The result: improved construction efficiency, crack-free durability and unmatched strength – helping create a new cement category (super premium) in India.

The complement of Dalmia TechExpert (free value-added customer service provided by our expert civil engineers) provided on-site visits, testing (raw materials and concrete) and advice on best practices.

The result is that Dalmia DSP has emerged as the fastest growing cement brand in the country.

List of brands launched over the years

Dalmia Cement and Dalmia Ultra
2013

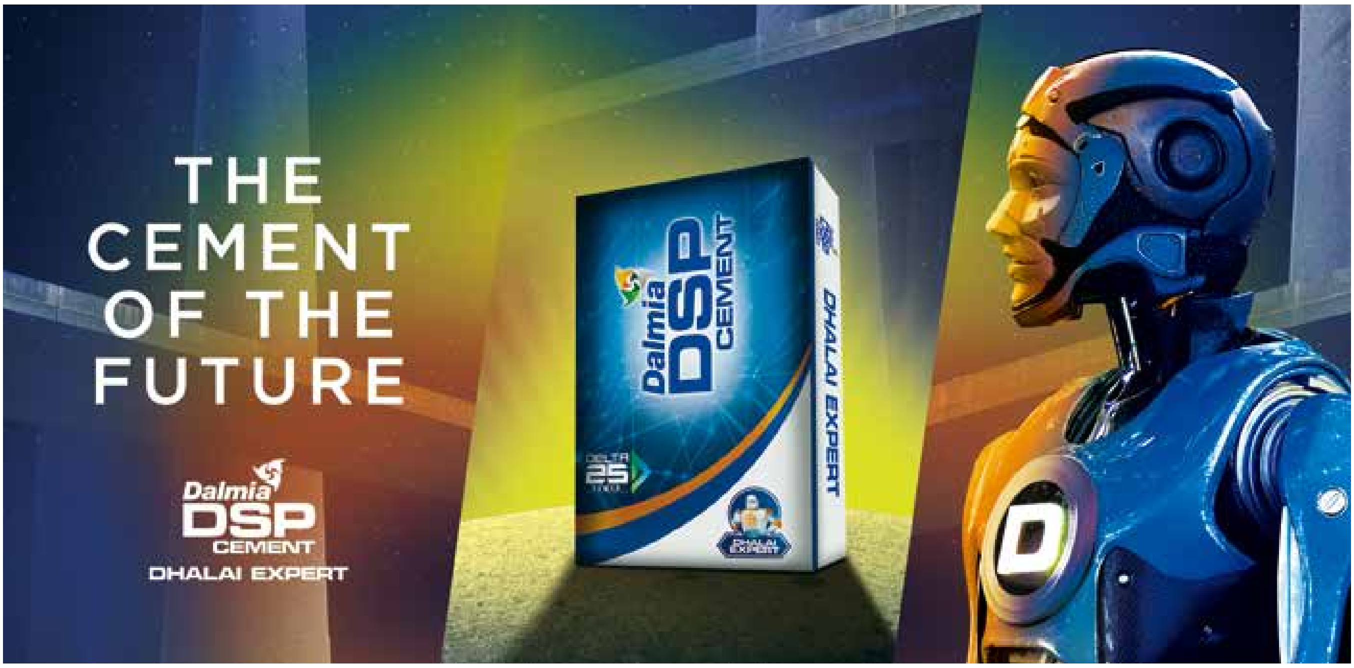
Dalmia DSP cement
2016

Dalmia Infra Green cement
2017

Overview

At the Company, we believe that the most successful company is the one that enjoys the highest brand recall.

Over the years, the company has strengthened marketing around the 3Ms: 'measure', 'manage' and 'monitor'. The Company has generated top-of-the-mind



awareness levels among individual house builders, maximizing offtake.

The company strengthened its marketing team with members drawn from various sectors (FMCG, telecom and infra products), helping bring diverse insights to the table. The result is that even as the company increased output and market presence, it strengthened its brand, market share and realizations.

Strengths

Team: The Company's sales team comprises of dynamic, technology enabled talent, enjoying respect in India's cement industry.

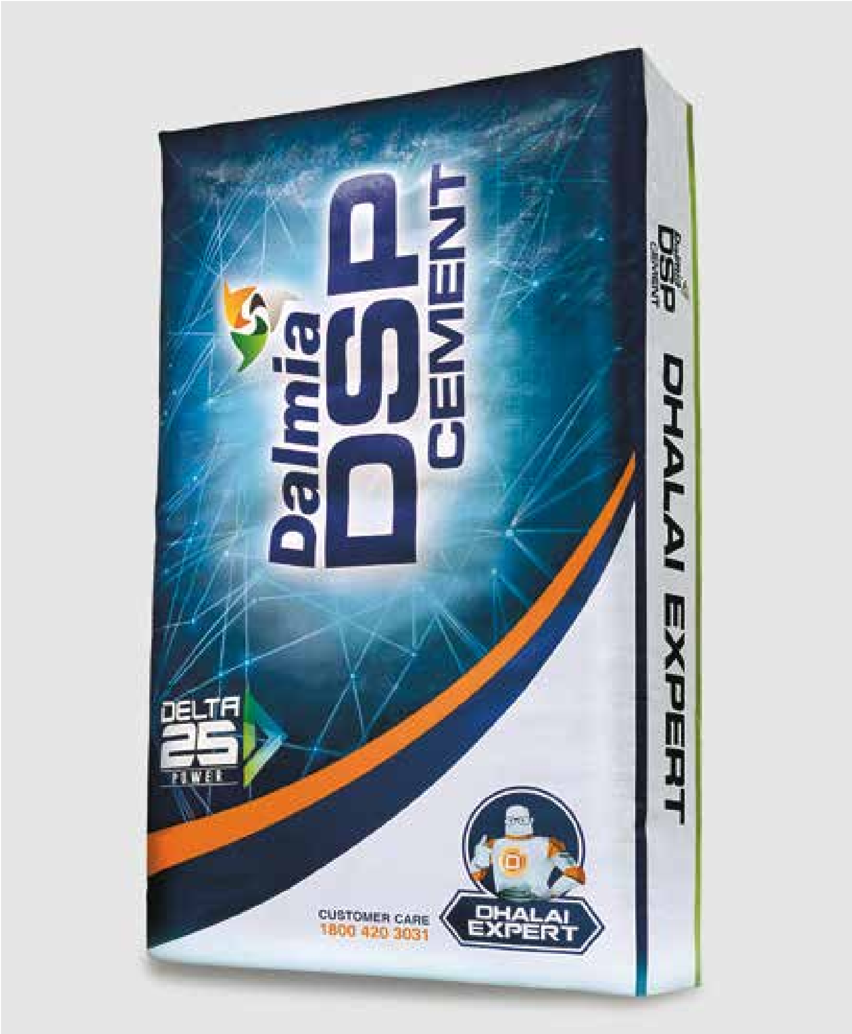
Rich experience: The Company's rich understanding of market dynamics catalyzed innovative customer engagement across planning, execution and after sales service.

Strong marketing campaign: The Company's marketing campaign emerged as a key driver of brand promotion, leveraging a 360 degree platform.

Relationships: The Company believes in maintaining a strong relationship with its channel partners. The masons, contractors, engineers and architects form a bridge which connects our products with the customers, enhancing brand loyalty and advocacy.

Achievements, 2017-18

- The Company launched Portland Composite Cement. The product offers high endurance concrete casting, high compressive strength and delivers assured quality and zero quantity loss through tamper-proof and moisture-proof packaging
- The Company successfully established premium positions across markets within a year of the DSP Cement launch, which is already contributing ~10% to the total trade sales.
- The Company launched loyalty programmes for dealers and masons, strengthening referrals and



The DSP effect

• Dalmia DSP is a best-in-class product of the Company.

• The brand utilizes Granulated Blast Furnace Slag (GGBS), a steel manufacturing by-product, which would otherwise have been wastefully disposed.

• GGBS makes cement less exothermic, enabling higher concrete casting time.

• Slag use reduces the landfill burden and reduces emissions at steel plants through the granulation process; reduces greenhouse gas emissions - one tonne of slag cement emits approximately one ton of carbon dioxide less than what is emitted by one ton of OPC/PPC

• The manufacturing process involves significantly lower energy consumption to produce one ton of slag cement than to produce an equal quantity of OPC/PPC.

• The Company's manufacturing process is recognized by Leadership in Energy and Environmental Design (LEED) in improving project sustainability.

recommendations by users.

- The Company enhanced its visibility by investing in the branding of boundary ropes, giant screens, sight screens, LED perimeters and dugout backdrops, among others, during a number of the Indian men's home and away cricket series.
- The Company acquired the Delhi Dashers team of the Premier Badminton League
- The Company engaged in branding activities during the FIFA U-17 World Cup in India.
- The Company celebrated the 5th edition of the Young Achievers Award to felicitate talent from various disciplines of performing arts, eco-entrepreneurship, architecture and sportsmanship in North Eastern India.

Outlook

The Company is currently among the top five in India's industry by size and seeks to enhance its position through innovative products, strategy and brand building initiatives.

Rathyatra at Puri, Odisha

Sung Ji Hyun playing for Delhi Dashers in the Premium Badminton League 2017

Brands: The Company's brand portfolio comprises of a potent bouquet of brands extending from regular to premium to super premium segment. These brands have been instrumental in the construction of national infrastructural landmarks. The brands comprise the newly launched Dalmia DSP, the well-established Dalmia Cement, Dalmia Ultra, Dalmia Infra Green Cement and Konark brands - committed to providing products of the highest quality.

People: The Company is passion-driven and focuses on consistent outperformance. As on 31st March 2018, the employee strength at the Company stood at 5836 with an average age of 39 years. The high employee productivity progressively transformed into higher revenue per person and one of the highest per tonne EBITDA levels in India's cement industry.

Corporate Social Responsibility

Big 'We Do' achievement

1.3 Lakh
Number of lives touched by the Company, 2014-15

9.35 Lakh
Number of lives touched by the Company, 2017-18

Overview

At the Company, we believe that the benefits of prosperity need to extend beyond our premises to the communities living on the periphery.

Over the years, this sense of responsibility has manifested in various ways: minimizing the use of finite natural resources so that there is more to share with the community, maximizing the use of industrial wastes and direct engagement with our neighbouring communities with the objective to strengthen their livelihoods, education and other social realities. The company's CSR is implemented through the Company Foundation, a registered not-for profit organization set up under the Indian Trust Act, 1882.


Weaving centre, Umrangso

Focus areas

Soil and water conservation: Water table depletion is a growing rural challenge and in some areas in the vicinity of the Company's manufacturing facilities, the water table has declined to as low as 500 feet. In response to this reality, the Company is implementing community-based water management programmes comprising the construction, renovation and maintenance of water harvesting structures (check dams, ring wells, watersheds and ponds),

Highlights, 2017-18

The Company enabled water harvesting of 22.53 lakh cubic metres of water in 2017-18, resulting in an aggregate of 45.06 lakh cubic metres of water harvested annually

Integrated Watershed Management Project

- Completed 10,000 cubic metres of bunding in Melarasur covering 220 hectares, benefiting 107 farmers and resulting in harvesting of 6.60 lac cubic metres of water
- Enabled 30 beneficiaries with loans worth Rs. 5.80 lac for purchasing milch animals, rearing sheep and establishing nurseries, among others
- Completed 3,565 cubic metres of bunding in Kovandakurichi, covering 21 hectares and 0.63 lac cubic metres of water being harvested. The Company enabled 26 beneficiaries with loans worth Rs. 3.43 lac for purchasing milch animals, rearing sheep and establishing petty shops, among others
- Received NABARD's approval for the implementation of a Rs 4 cr watershed project in Kadapa across three years

Under the Tribal Development Fund

- Planted more than 37,400 pineapple, litchi, guava and lemon saplings in Umrangso
- Planted 30 metric tonnes of turmeric across 200 acres
- Created 800 contour trenches spanning 11,520 cubic metres to aid water harvesting, benefiting 200 households

Under the Gram Parivartan Project, Sendurai, Ariyalur

- De-silted two village ponds, creating a water harvesting capacity of 10,500 cubic metres, allowing 400 households to irrigate 90 acres of land
- Renovated 79 farm ponds and promoted drip irrigation across 58 acres
- Promoted organic fertilizers (Panchkavya) across 165 acres, saving Rs. 7 lac for local farmers
- Formed 46 joint liability groups, 135 self-help groups and 21 farmer clubs and offered 1,094 beneficiaries with a subsidy worth Rs. 15 lac under the State Government's Sustainable Mission on Sustainable Dry Land Agriculture for cultivating 1,094 acres; encouraged *azolla* cultivation among >4,000 farmers, increasing their monthly incomes to Rs. 16 lac

Chirawa Water Conservation Project

- Constructed 246 rainwater harvesting tanks and 14 recharge wells, creating a water harvesting capacity of 20,000 cubic metres
- Constructed 106 toilets and 134 soak pits

Miscellaneous initiatives

- Dug 76 farm ponds, creating an additional water harvesting capacity of 0.96 lac cubic metres
- Implemented drip irrigation across 670 acres, benefiting 1,400 villagers in Southern India
- Constructed a village pond in Nawabpet, creating an additional water harvesting capacity of 18,000 cubic metres
- Deepened Manodai Lake in Dalmiapuram, creating an additional water harvesting capacity of 18,000 cubic metres, benefiting 2,300 farmers who use the water for paddy cultivation
- Organized farmer meetings across four villages to encourage 50 farmers adopt the rice intensification system

Year	FY 2014	FY 2015	FY 2016	FY 2017	FY2018
Water harvesting capacity added (Lac m3)	4	5.91	11.13	18	22.53
Land brought under micro-irrigation (acres)	148	248	426	600	1184

Energy conservation, Umrangso

Energy conservation and climate change mitigation

Overview

A substantial amount of bio-fuel is burnt in India, threatening the environment and people's health. The Company provided renewable energy solutions - fuel-efficient cook stoves, liquefied petroleum gas connections, bio-gas plants, solar-powered lanterns, streetlights and home lighting systems, among others - that help communities with their environmental footprint.

Highlights, 2017-18

- Converted 44 villages into 'clean' cooking villages and 43 villages into 'clean' lighting villages.
- Powered 2,300 households with clean lighting solutions (solar-powered lanterns, streetlights and home lighting systems, among others)
- Installed 20 solar-powered streetlights in Palinganatham village near Ariyalur, benefitting ~2,500 villagers.
- Partnered the Government of India in implementing Pradhan Mantri Ujjwala Yojana scheme by offering liquefied petroleum gas connections and distributing 500 fuel-efficient cook stoves.
- Set up nine solar-powered e-shalas, benefiting more than 1,500 people.

Solar lantern - Ariyalur

Livelihood skills training

Overview

Poverty is not merely defined by low incomes but comprises other indicators like poor health, illiteracy, inadequate sanitation and dearth of work opportunities. In view of this, the Company focuses on the creation of community-centric sustainable livelihood options. The Company commenced skill development programmes comprising stitching, tailoring and food processing. The Company commissioned DIKSHA (Dalmia Institute of Knowledge and Skill Harnessing) centres in partnership with National Skill Development Corporation in Belgaum and Trichy.

Highlights, 2017-18

Dalmia Institute of Knowledge and Skill Harnessing Centre – 286 trainees passed during the year and 205 trainees are undergoing training.

- Rourkela - 141 passed (35 in the area of retail, 25 for beauty & wellness, and 81 as bed side attendants); 80 underwent training (25 for retail, 25 beauty and wellness and 30 as bed side attendants)
- Rajgangpur – 23 passed training as sewing machine operators; 80 underwent training as sewing machine operators
- Deogarh – 45 underwent training (20 as sewing machine operators and 25 as electrical mechanics)
- Trichy - 48 passed (22 sewing machine operators and 26 home health aids)

- Belgaum – 74 passed (47 for beauty and wellness; 15 as sewing machine operators and 12 in the area of retail)
- Received sanction letters from National Bank for Agriculture and Rural Development for the grant of Rs. 3.4 lakhs towards 50% of the training cost of 50 trainees as sewing machine operators and home health aides in Trichy. The trainings have been initiated
- Under the weaving promotion project in Umrangso, 40 women from self help groups produced and sold woven products, earning Rs. 1,500-2,000 per month
- 11 self-help group members were provided training to make pickles and squash. Seven trained women set up a small production unit, generating an average revenue of Rs. 5,000 per month by selling their products locally
- World-on-Wheels Bus, a digital education platform initiated in partnership with HP, reached out with computer education programmes to more than 345 school children and youth in Kadapa
- 3 batches of computer training covering 64 trainees, at the Computer Training Centre, Thangskai, Lumshnong has been completed
- More than 650 milch animal loans of Rs. 162 lakh were disbursed by financial institutions
- Income Generation Programme incubation centre ran in Medinipur, where 40 new designs of handicrafts were developed. The group started to sell their products at the local level
- Promoted the setting up of 8 mushroom cultivation units by self help group. 104 members created 80 beds in each unit in Rajgangpur and Lanjiberna. Each unit generated a revenue of Rs. 1,200 per month, benefiting 52 women
- Beauty parlour training for 70 trainees and food processing training for 70 trainees was organized for women in Bokaro
- More than 517 trainees completed their training in Vocational Training Centres related to beauty and wellness, tailoring, dress designing as well as purse and bag making in Rajgangpur and Lanjiberna
- Linkage with SIDBI, Small Industries Development Bank of India, Rourkela, was initiated at Lanjiberna; about 70 vocational trainees, passed out and present, participated in the workshop
- One three-day training on the formation of producer groups was held at Lanjiberna generating a participation of 48 self-help group members

Drip water irrigation

Skill training in Rourkela

Social development

Overview

The Company is helping address the basic community infrastructure needs in its areas of presence by building sanitation blocks, low-cost toilets, community halls and school buildings, among others. The Company arranged healthcare camps (general and specialized), providing medicines, immunizing residents and offering health care (maternal and neonatal) facilities.

Highlights, 2017-18

Health and Sanitation

- In Medinipur, 133 weekly health camps were organized in the programme villages, providing medical care to more than 2,400 patients
- Mobile Medical Unit running in Cuttack reached out to 19,145 beneficiaries
- 20,395 beneficiaries availed free medical services at the dispensary in Lanjiberna
- OCL-LV Prasad Eye Institute Vision Centre serviced 3,347 patients for their eye checkup, out of whom 330 patients underwent a cataract operation
- 61 Health Camps were organized across locations in South, East and North-East, benefitting around 26,000 beneficiaries
- 7 dental check-up and awareness camps were conducted, benefitting 2,143 students in Bokaro
- A blood donation camp was organized in Bokaro; 32 people donated the blood

- Inauguration of a community sanitation block constructed at a Gurudwara in Rajgangpur was done
- 326 individual sanitary latrines were constructed across locations
- 9 veterinary camps were organized, covering nearly 21,000 milch animals

Education

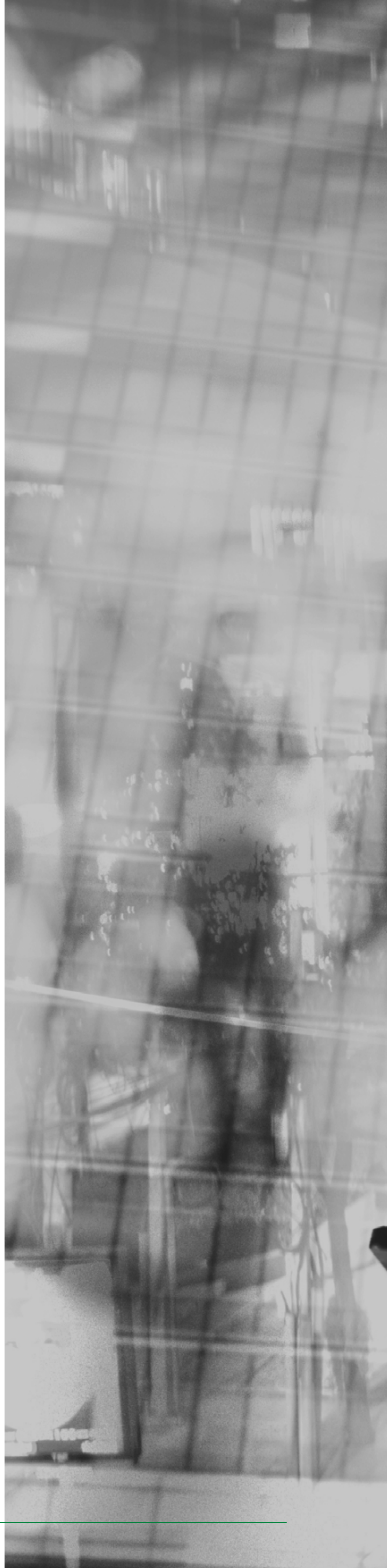
- 52 Remedial Education Centres were conducted across locations leading to the enrolment of 2,955 high school and elementary class students. Parents and teachers interacted at remedial centres
- 45 Ekal Vidyalaya ran, enrolling 1125 students in Rajgangpur and Lanjiberna
- Under the Dalmia Happy School Project, 5 schools were assisted with desk, benches and other infrastructure materials, benefitting more than 300 students
- Children's Day was celebrated, drawing participation from 2,200 students across locations
- Teaching Learning Material distributed among students of Remedial Education Centres at Cuttack, Rajgangpur and Lanjiberna location, 650 students benefited
- 5 schools in Belgaum were covered under the building as learning aids initiative
- A school compound wall was built in a school in Belgaum with Rs. 18 lakhs leveraged from the Kopadatti *panchayat*
- Refurbishment and painting of 11 *anganwadis* was undertaken

Sports

- 2 Sports tournaments (tennis and volley ball) attracted participation by 100 sports person
- A hockey coaching centre was made operational at Lanjiberna where 50 candidates have undergone training for 6 days a week by March 2017
- Sports was promoted through the creation of infrastructure and distributing sports kit
- A football ground was developed in Medinipur
- Ms. Bonita Lakra of Pandrapada village in Lanjiberna area who clinched gold medal in the World Police and Fire Games 2017 in Los Angeles, was felicitated

Rural Infrastructure and Community Development

- Two cold water dispensing units were set up in Rajgangpur, benefiting 2000 people
- One reverse osmosis plant was installed at a government school in Lanjiberna
- One drain was renovated at Lanjiberna village
- One community cultural *pandal* was constructed at Katang, Turipada, Tanatoli and Bihabandh villages in Lanjiberna
- Pilot Waste Management Project was launched in Chinnakomerala village, Kadapa
- National Bank for Agriculture and Rural Development chose the Company Foundation as a master trainer for the Jaldhoot Initiative in Andhra Pradesh and Tamil Nadu for creating awareness on water conservation and the mapping of water resources. The Company Foundation reached out to 7,000 beneficiaries from 103 villages
- Women's Day was celebrated on 8th March 2017, where 200 women participated in a cultural program
- Renovation of two community centres was accomplished in two villages near Bokaro
- One bathing ghat construction was completed in Bokaro, benefitting 2000 people



Awards and accolades

- ABK-AOTS DOSOKAI Award
- All India Organization of Employers(AIOE) National Award
- CSR Excellence Award 2017
- The Company bagged NIMHANS Award
- The Company bagged NCB's National Awards In An Unprecedented Six Categories
- The Company's North East operations received Flame Awards Asia 2017
- The Company received 5-Star Award
- The Company received Award by World CSR Congress
- The Company received Most Well Planned Business Travel Award
- The Company received MTM Corporate Star Award
- The Company was Conferred National Energy Conservation Awards
- Dalmia Cement bagged Energy Efficient Award
- The Company received 6th Annual Manufacturing Today Awards 2017
- Dalmiapuram and Ariyalur received Star Award from National Safety Council
- Dalmiapuram Unit bagged 5S Platinum Award from ABK-AOTS
- Dalmiapuram Unit received the TNPCB Green Award
- DCBL received CII-ITC Sustainability Award
- Digital Transformation Awards 2017
- EY Entrepreneur Of The Year Award (manufacturing category) 2017
- Gold Award in the 16th ABK AOTS CUMI 5S Competition
- Lanjiberna Mines bagged Awards @ Annual Mines Safety Week Celebration 2017
- Our Melarasur Watershed Development Project won the NABARD Award
- PNR Limestone Mines received the Rio Tinto Health & Safety Award from FIMI

The Company's robust business model

Sectoral context

Infrastructure creation: India is investing unprecedented resources in strengthening national infrastructure, warranting larger quantities of cement. The development of national highways is expected to contribute 2-3 million tonnes of incremental demand for cement. Demand from the proposed Smart Cities and metro rail projects at various stages of construction in 14 cities are expected to drive the demand for cement in fiscal 2019.

Housing demand: The demand from affordable housing is expected to sustain on the back of the Central Government allocating Rs. 6,500 crore for urban housing. Their completion could lead to an incremental cement demand of 1-1.5% (3–4.5 million tonne) in FY2018-19. Monsoon forecasts indicate normal rainfall, which should lead to incremental cement demand from rural housing. The Central Government is targeting to build one crore houses by 2019 under Pradhan Mantri Awas Yojana (Gramin) and intends to disburse Rs. 20,000 crore loans for individual housing through the National Housing Bank. The increase in allocation to rural low-cost housing to Rs. 23,000 crore from Rs. 16,000 crore could lead to a 2% increase in cement demand. (Source: Financial Express, Industry report, 8th May 2018)

Increasing urbanization: Under Pradhan Mantri Awas Yojana (Urban), the Central Government plans to construct 1.2 crore units by spending Rs. 185,069 crore over three years. The Central Government plans to develop 500 Smart Cities; the resulting urbanization and affordable housing demand could strengthen incremental cement demand beyond incremental supply over three years.

Policy interventions: The Reserve Bank of India recently allowed banks to invest in Real Estate Investment Trust and the Infrastructure Investment Trust, which will help revive the infrastructure and realty sector and benefit the cement industry.

Budgetary allocations: Under the Union Budget 2017-18, US$3.42 billion was allocated to realize the Central Government's vision of Housing for All by 2022. The housing sector accounts for ~67% of the total cement consumption in India. The Central Government proposed to assign infrastructure status to affordable housing projects and facilitate higher investments and credit to the sector. *(Source: Business Economics, cover story, 29th March 2018)*

How the Company is addressing these emerging opportunities

Capacity scaling
To cater to growing cement demand, the Company multiplied its capacity from 3.5 MnT in FY08 to 25 MnT in FY18.

Cost-efficiency focus
The Company upgraded existing kiln burners with next-generation variants (with less primary and air conveying requirements), moderating power consumption to <70 kilowatt-hours per tonne. The Company maintained its delivery lead distance of <300 kilometres from plant to market, optimizing logistic cost which is one of the lowest in the industry.

R&D excellence
The Company invested in a state-of-the-art R&D centre in Chennai that offers advanced research facilities (microscopy, mineralogy, high temperature kinetics, physical and chemical tests, construction and concrete technology and design and development of high-performance chemical additives), strengthening the Company's competence in producing a superior cement quality.

Strategic location
The Company's plants are strategically located close to raw material sources, moderating freight and transportation costs. The Company was able to reasonably contain its freight cost in spite of a surge in diesel costs.

The Company's foundation of intangibles

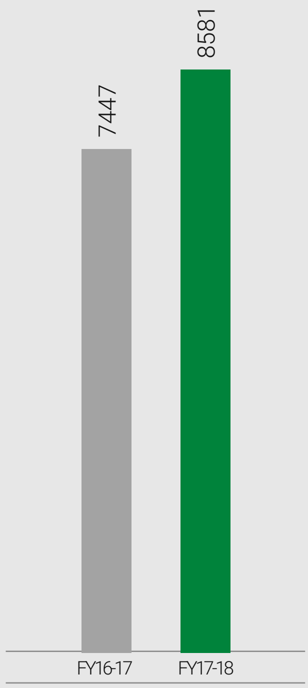
In-depth know how
The Company has been engaged in the cement sector for more than eight decades, validating the sustainability of its business model across sectoral crests and troughs.

Brand recall
The Company's brands (Dalmia, Dalmia Ultra, Dalmia DSP, Dalmia Infra Green Cement and Konark) have been consistently invested with promotional exposure and positioning. The result is that they enjoy top-of-the-mind recalls, market status and market share, strengthening per tonne realizations and offtake quantum.

Distribution network
The Company's products are delivered across 22 States that comprise ~81% per cent of India's population. The company's products are delivered to the marketplace through a wide and deep distribution network that comprises more than 8,000 dealers and retail points.

Environmental commitment
The Company was ranked #1 globally by CDP (formerly Carbon Disclosure Project) for the lowest carbon footprint in the global cement sector.

Enhancing value over the years



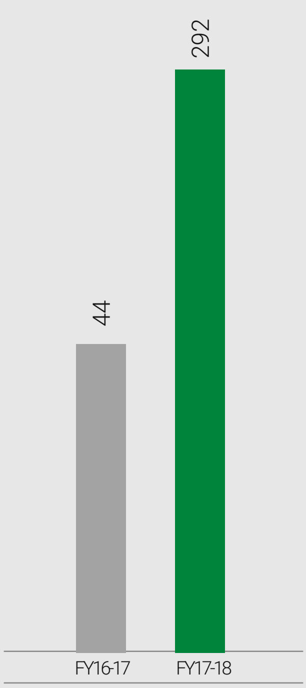
Revenues
(Rs. crore)

Performance

Aggregate sales increased by 15% to Rs. 8,581 crore in FY2017-18 following increased demand and widened sales footprint.

Value impact

Creates a robust growth engine on which to build profits.



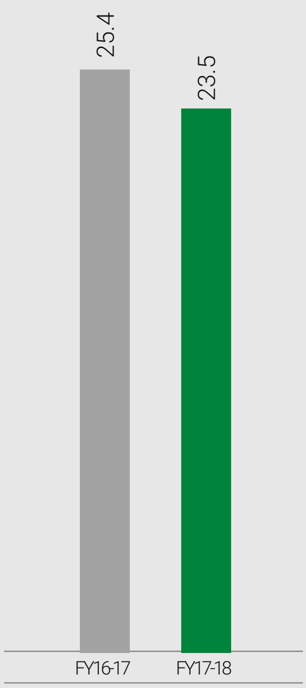
Profit after tax
(Rs. crore)

Performance

The Company reported an increase in its profit after tax, reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact

Ensures that adequate cash is available for reinvestment and allows the Company to sustain a growth engine.



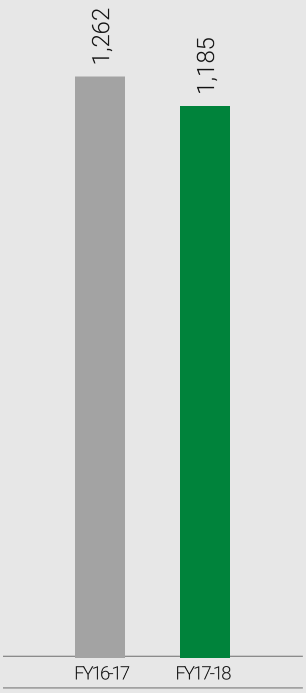
EBITDA margin
(%)

Performance

The Company's EBIDTA margin moderated 190 bps during the year under review.

Value impact

The decline not withstanding the margin demonstrates adequate buffer, which, when multiplied by scale, could enhance surpluses.



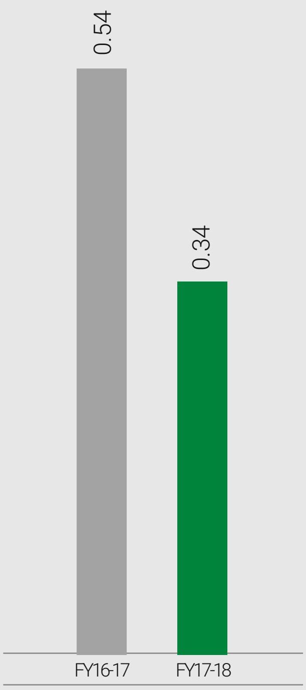
EBITDA per tonne (Rs.)

Performance

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact

The Company has consistently managed to achieve one of the highest EBITDA per ton among the larger players in the cement industry.



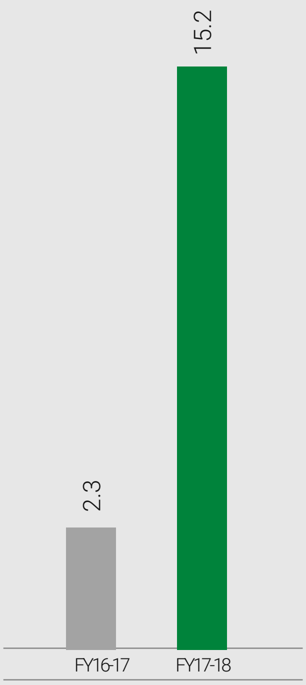
Net Debt-equity ratio (x)

Performance

The Company's gearing strengthened from 0.54x in FY2016-17 to 0.34x in FY2017-18, indicating a growing ability to service debt.

Value impact

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost.



Earnings per share (Rs.)

Performance

The Company's earnings per share improved from Rs. 2.3 during FY2016-17 to Rs. 15.2 during FY2017-18.

Value impact

This has helped enhance value in the hands of our shareholders.

Craft Béton™

RETHINKING ART

Created by Dalmia Bharat

Craft Béton is what happens when the world's most used man-made material is put in the hands of internationally acclaimed designers. You get creations with the finesse and form of an art piece, detailing and function of world-class design as well as craftsmanship to admire.

Craft Béton is this work of pride by Dalmia Bharat that showcases the beauty and versatility of cement. It rethinks art and redefines perception.

Management discussion and analysis

Indian economic overview

The Indian economy witnessed relatively slower growth of around 6.7% in 2017-18. The year under review was marked by structural reforms: in addition to GST implementation, the government made amendments to IBC, focused on significant resolution of challenges related to bank non-performing assets, FDI liberalization, bank recapitalization and coal mine privatization. Export growth rebounded in 2016-17 and strengthened thereafter in 2017-18; foreign exchange reserves rose to US$ 422.53 billion as of March 2018.

(Source: CSO, economic survey 2017-18)

Key government reforms

Bank recapitalization scheme: The Central Government announced capital infusion of Rs. 2.1 lac crore into public sector banks.

Improving business ecosystem: Reforms such as passing of the Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN improved the business ecosystem.

Goods and Services Tax: The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services are taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).

(Source: KPMG Economic Survey 2017-18, 29th January 2018)

Foreign Direct Investment: Foreign direct investment increased from US$ 4400 crore in 2016 to US$ 6196 crore in 2017-18, an all time high.

(Source: Economic times, 8th June, 2018)

Coal mining opened for private sector: Ending state monopoly, the government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalization in 1973.

(Source: Business today, 20th February, 2018)

Doubling farm incomes: The government initiated a seven-point action plan to double farm incomes by 2022.

(Source: Agriculture ministry)

The result: World Economic Forum's Global Competitiveness Report

2017 ranked India at 23 in the Global Competitiveness Index, up from 39 in 2016. The country also jumped 30 places to the 100th position on the World Bank's Ease of Doing Business Index, 2018.

(Source: WEF global competitiveness report, 26th September 2018, World Bank's ease of doing business report, 31st October 2017)

Outlook

IMF projected India's economic growth to accelerate to 7.4% in 2018-19 and 7.8% in 2019-20, catalysed by private consumption and services. Private investment is expected to revive as soon as the country adjusts to GST. The recapitalization package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment.

(Source: IMF)

Indian cement industry overview

India is the second-largest cement producer in the world and accounts for a 6.9% share of the global cement output. India's cement industry provides employment to more than a million people, directly or indirectly, with a capacity of ~480 million tonnes. Of the total capacity, 98% lies with the private sector and the rest with the public sector.

A total of 210 large cement plants together account for 410 million tonnes of installed capacity in the country, while 350 mini cement plants make up the rest.

Cement production in India increased from 230.49 million tonnes during FY2011-12 to 297.56 million tonnes in FY2017-18.

The housing sector remained the biggest demand driver of cement, accounting for ~65% share of the total consumption in India. The other major consumers of cement include infrastructure (13%), commercial construction (11%) and industrial construction (9%). Cement and gypsum products attracted FDI worth US$ 525 crore between April 2000 and December 2017.

(Source: IBEF Indian cement analysis, April 2018, Business economics cover story, 29th March 2018)

Outlook

A pick-up in the affordable and rural housing segments and road and irrigation projects is likely to sustain strong demand growth in FY2018-19. However, profitability margins and debt metrics of cement companies may come under pressure on account of higher pet coke, coal and diesel prices. Also, sand availability issues in Rajasthan, Uttar Pradesh, Bihar and Tamil Nadu are likely to impact sales in these regions.

India's per capita consumption of cement remains low at ~200 kilograms compared to the global average of~350 kilograms. This underlines scope for growth in the Indian cement industry across the long-term. Several decisive initiatives were undertaken in terms of ease of doing business, start-up promotion, tax structure rationalization and FDI relaxation. Consequently, over the next five years, cement demand is expected to increase at a CAGR of ~8%, led by a revival in government spending on housing (especially affordable housing), growth in private housing and fast growth in infrastructure spends (especially urban infrastructure, road, and irrigation).

At a regional level, Eastern states followed by Central and Northern ones could see healthy demand growth over a low base as State governments lay a keen emphasis on development. Over the next decade, India could become the main exporter of clinker and grey cement to the Middle East, Africa, and other developing nations of the world.

(Source: IBEF cement industry report, October 2018, Equitymaster cement sector analysis report, 26th March 2018)

Budgetary allocations

- Budgetary allocation for infrastructure is set at Rs 5.97 lac crore for 2018-19.
- Under the Smart Cities Mission, projects worth Rs 2,350 crore have been completed and projects worth 20,852 crore are under progress. A total of 99 cities have been selected under the mission with an outlay of Rs 2.04 lac crore.
- ~35,000 kilometres of road construction has been approved under the Phase-1 of the Bharatmala Pariyojana at an estimated cost of Rs 5.35 lac crore.
- An outlay of Rs 33,000 crore (US$5.097 billion) has been proposed for building 4.9 million houses under Pradhan Mantri Awas Yojana (Gramin), in Union Budget 2018 -19.
- In Budget 2018-19, Government of India announced setting up of an Affordable Housing Fund of Rs. 25,000 crore under the National Housing Bank that will be utilized for easing credit to home buyers.

Growth drivers

Housing boom: The Indian Government's plan to develop 500 cities with a population of >1 lac coupled with the low-cost housing development planned under the Pradhan Mantri Awas Yojana scheme, will set the demand for cement soaring. An increased budgetary allocation towards rural housing development worth Rs. 23,000 crore, will drive cement demand up by 2%.

(Source: Business economics cover story, 29th March 2018)

Highway construction: The Central Government announced an ambitious plan to construct 83,000 kilometres of roads at an investment of Rs. 7 lac crore over the next five years. Consequently, construction companies, including cement and equipment companies, are likely to report 100% growth in revenues. (Source: Economic Times)

Infrastructure push: Infrastructure accounts for 13 % of cement demand in India. India could invest Rs 5.97 trillion in creating and upgrading infrastructure in FY2018-19. Starting with an allocation of around Rs. 1.81 trillion in 2014-15, infrastructure spending reached Rs 4.94 trillion in 2017-18. Among various infrastructure projects, Sagarmala Project proposes the development of 14 Coastal Economic Zones across major and non-major ports of India. The project aims to enhance cement production by 40 MnT per annum by 2025 and make domestic manufacturing more competitive. Infrastructure projects such as Dedicated Freight Corridors as well as new / upgraded airports / ports are expected to drive construction. The pace of building highways picked up and touched 21.46 km a day in the April-January period of 2017-18 compared with 18.30 km per day in the same period last fiscal. (Source: Budget 2018, Financial Express and Livemint)

Demand recovery: With the demand for office space intensifying, rental values have also increased in active micro-markets across India. The demand will be supported by ~117 million square feet of office space (Grade-A) scheduled to be completed between 2018 and 2020. Moreover, during Q1 of FY2018-19, the sector witnessed a 23% y-o-y increase in office space demand, with pan-India absorption recorded at 11.4 million square feet. (Source: Colliers International India)

Smart cities:100 cities have been selected under the Smart City Mission. Each city will get Rs 500 crore to carry out the projects. Two-and-a-half years later, only 5.2% of the total identified projects have been completed with just 1.4% of the total envisaged investment of Rs. 1,35,958 crore. The plan has already impacted the lives of 7 crore people in urban locations across India. (Source: Economic Times)

Transportation infrastructure: India's transport infrastructure will grow at higher rates over the next five years on account of a string of measures, including increased spending on airports, roads and rail projects. The transport infrastructure sector in India is expected to grow at 6.1 per cent in real terms in 2017 and at a Compounded Annual Growth Rate (CAGR) of 5.9 per cent through the year 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector.

The metro rail network in the country is increasing with the mass rapid transit system emerging as one of the best solutions for urban transportation. Even as eight metro rail networks covering a length of 370 km are operational in the country, over two dozen more projects are lined up. Out of the two dozen projects, around 15 are lined up with the urban development ministry. The cities that have lined up their plans include Pune, Nagpur, Ahmedabad, Chennai, Vijayawada, Kozhikode, Indore, Bhopal, Patna, Guwahati, Kanpur and Varanasi.

India's vision is to become the third largest aviation market by 2020 and the largest by 2030, and for this the nation is planning to invest over USD 120 billion in the development of airport infrastructure and aviation navigation services, over the next decade.

The metro rail projects and airport modernization across major cities will also increase cement demand.(Source: 2nd Airport Modernization Summit, Economic Times, Live mint)

Development of rural roads: The Government of India has succeeded in providing road connectivity to 85% of the 178,184 eligible rural habitations in the country under the Gram Sadak Yojana. All villages in the country are expected to be connected through a road network by 2019, as against 2022 previously. Total length of roads constructed in 2017-18 was 47,447 kilometres. (Source: Economic Times)

Growing nuclearization: The Census 2011 indicated that about half of Indian joint family households are gradually declining. Also contrary to popular perception, nuclear families in rural areas jumped 29% versus 9% in urban households. Nuclearization is expected to add about 6-7 million households per year, strengthening domestic consumption.

Emerging trends

Consolidation: The country's cement sector is passing through a phase of aggressive consolidation with the Central Government ensuring that companies unable to service their debt obligations are getting sold off to companies who can pay back debt, driving sectoral consolidation.

Branding: The cement sector is attracting considerable investment in branding and promotion, strengthening marketplace competition.

Engagements: India and Switzerland collaborated to reduce energy consumption within the cement sector.

(Source: https://www.rncos.com/Press_Releases/Increasing-Government-Initiative-Propelling-Indian-Cement-Industry.htm)

Substitution: The Central Government decided to replace bitumen with cement in the construction of new road projects on account of durability and economy, escalating demand for ready mix concrete.

Refractory Business

OCL commissioned its Refractory plant in the year 1954, which today has grown into one of the largest composite refractory plants in the Country. It manufactures Silica, Basic Burnt Magnesia Carbon, Fireclay & High Alumina Bricks, Continuous Casting, Slide Gate Refractories, Castables and Precast Blocks Basic, Silica High Alumina Ramming Mases/Mortars. OCL's Refractory division is the first Indian refractory manufacturer to have secured the coveted ISO 9001 certification for all its refractory products. Globally OCL is amongst the few select producers of coke oven silica bricks. Over years OCL has collaborated with other world leaders in the respective fields and secured a place of pride for itself.

Refractory Industry trends

The global refractories market is currently around $39.2 billion with China contributing ~63% of the market, Europe constituting ~ 6.5% with steel production of ~220 million tonnes and India comprising another ~3%.

The key customers for refractories in India are Steel and Cement. Both the sectors are poised for growth and have seen an increase in production in the FY18 after a sluggish growth.

The steel industry is the largest application of refractories globally constituting 65-70% of the total demand. Refractories has the characteristics which are light weight, high temperature sustainability, and robustness, therefore, they are ideal for linings and insulation of the high temperature furnaces used in steel industry.

Business performance and initiatives

The Company's refractory division has a capacity of 1.4 lac tonnes across two manufacturing units located in Rajgangpur, Odisha and Dashiqiao, China.

Despite market constraints with regard to availability of raw material, the various initiatives taken by the management helped the business register a healthy growth of 12% by value in the fiscal year 2017-18. In addition, various cost saving initiatives have helped in reducing the losses in the business.

In order to improve focus on different customer segments, the sales team has been divided into Steel, Cement and Industrial BUs. Within each BU a comprehensive reorganization has been implemented to ensure empowerment and accountability. These changes will help the Company in improving speed of response and build customer segment specific competencies.

Significant efforts have been to improve the talent pool of the organization. International talent in manufacturing and Steel segment has been inducted from international leaders RHI and Vesuvius, respectively. Industry experts from Europe have also been engaged to help develop a robust Steel segment strategy as this segment constitutes 70% of the market.

Strength

- Complete Range of Product Portfolio
- Qualified and experienced Team
- Geographically spread plants
- Ability to customize products to specific requirement

Weakness

- Inadequate capability in monitoring
- Customer processes which impact refractory performance
- Lack of automation in manufacturing processes

Opportunities

- Improvement in manufacturing processes and control
- Improvement in product innovation cycle
- Expanding exports business

Threats

- Increasing focus of international players on Indian market
- High volatility in availability of raw material
- Uncertainty in raw material prices

Michael Porter's Five Forces analysis

Factors	Threat		Impact
Competitive rivalry	High	The Indian cement market is dominated by large players with varying market share and competitiveness.	Positive
Bargaining power of suppliers	Moderate	Cement players depend on local coal companies for fuel, although diversification of freight options & fuel sources is diminishing suppliers' power	Positive
Threat of substitutes	Low	Although partial alternatives (asphalt, glass, steel, wood , etc.) exist, cement has no direct substitutes	Positive
Bargaining power of buyers	Low	Substantial market concentration among large players ensures low bargaining power of buyers	Positive
Threats of new entrants	Low	Huge capital investments required present substantial barriers to entry & achieving economies of scale	Positive

Company overview

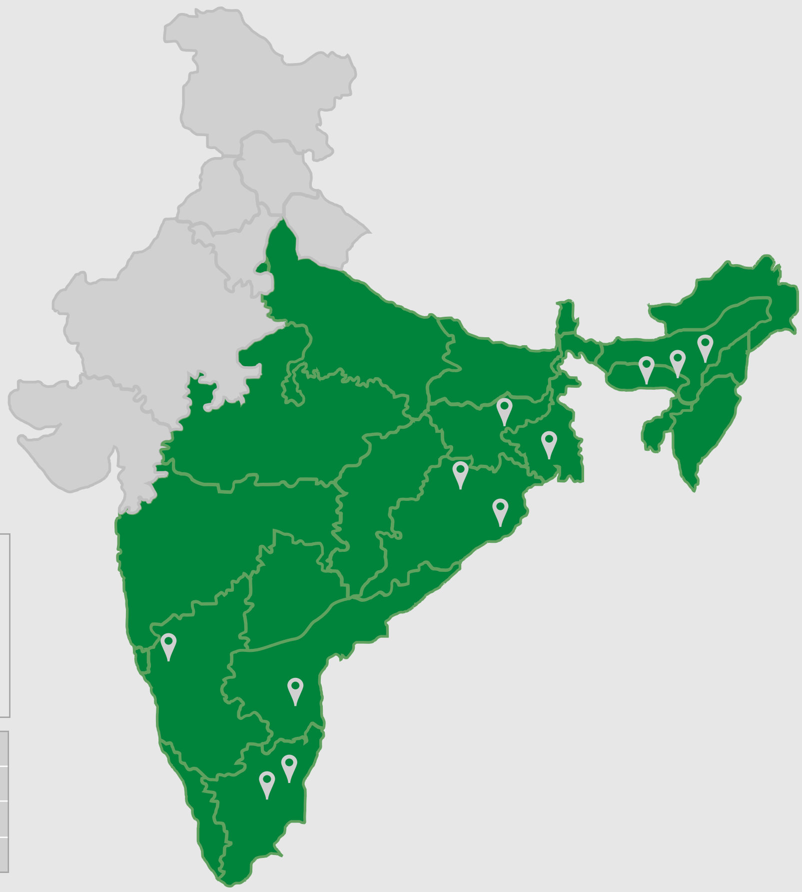
- The Company enjoys a substantial presence in South India with cement plants located in Tamil Nadu (Dalmiapuram and Ariyalur), Andhra Pradesh (Kadapa) and Karnataka (Belgaum) with a capacity of 12.1 million tonnes per annum
- The Company has significant operations in East and North East India with a total current capacity (along with its subsidiaries and associate) of 12.9 MnT which is expected to soon reach ~22 MnT after completion of capacity addition projects
- Every cement factory holds a significant place in Dalmia's aspiration to continue to lead and strive to meet the expectations of its customers, employees, and shareholders

Consolidated financial performance

- **Revenues:** Revenues stood at Rs. 8,581 crore, increasing by 15%, compared to Rs. 7,447 crore a year back
- **Operating profit**: Operating profit increased by 7% during FY2017-18 to Rs. 2,014 crore from Rs. 1,895 crore a year back
- **Finance costs:** Finance costs for the year under review decreased by 20% from Rs. 856 crore to Rs. 690 crore mainly because of repayment of loans
- **Tax expenses:** Tax expenses for the year stood at Rs. 98 crore as compared to Rs. 75 crore in FY2016-17
- **Net profit:** Net profit for the year under review stood at Rs. 292 crore as compared to Rs. 44 crore in the previous year

Balance Sheet analysis

- **Net worth:** The net worth of the Company stood at Rs.~10,300 crore as on 31st March, 2018, increasing by 19% compared to Rs.~9,500 crore as on 31st March, 2017
- **Loan profile:** The total loan funds of the Company stood at Rs. 7,275 crore while long-term borrowings stood at Rs. 6,402 crore. The net debt as on 31st March, 2018 stood at Rs. 3513 crore
- **Inventories:** Inventories increased by 19% to Rs. 779 crore during the year under review from Rs. 652 crore last year
- **Trade receivables:** Trade receivables of the Company stood at Rs. 524 crore, a decrease of 1% compared to the previous year
- **Cash and cash equivalents:** The Company had on its books cash and cash equivalents worth Rs. 3,762 crore as on 31st March, 2018 compared to Rs. 2,816 crore in the previous year
- **Current liabilities:** Current liabilities stood at Rs. 3,942 crore comprising trade payables worth Rs. 933 crore and borrowings worth Rs. 863 crore



Our plants and markets

Cement plants

Market presence

South	12.1 MnT
East	9.3 MnT
North East	3.6 MnT
Total	25 MnT

Manufacturing

A prudent combination of technological interventions, excellence in execution, customer centricity and cost optimization has been the cornerstone of the Company's success across 22 states and neighbouring countries like Bangladesh, Bhutan and Nepal. The Company intends to enhance asset sweating, increase Dalmia DSP's contribution to overall sales, moderate power consumption per tonne of cement produced, enhance kiln productivity levels and reduce logistic costs. In a bid to continuously improve operational performance levels, Dalmia keeps re-evaluating and revamping its technological platform. It replaced existing kiln burners with new-generation burners, which require lesser quantities of primary and conveying air, reducing fuel consumption. The Company started a project to increase cement kiln volumetric loading and thereby boost its installed capacity through effective utilization of equipment and de-bottlenecking of processes. On a regular basis, plants are allotted targets across a spectrum of parameters and knowledge sharing is encouraged between plants to replicate better performances with monthly meetings. The Company adopted a three-pronged approach to shrink its carbon footprint and improve efficiency through higher production, continuous monitoring and collaboration. A healthy in-house competition among plants encourages improvements in performance metrics. The Company developed an internal benchmarking system through a dashboard, which provides plant-specific and aggregated Group-level data on metrics like energy consumption, alternative fuel consumption and carbon footprint. These analytics form the basis of initiatives and interventions undertaken. The Company standardized procurement needs of adjacent sites and places orders in bulk to facilitate cost-effective procurement. Incorporating multiple factors into decision-making such as urgency, technical attributes, longevity and breakdown costs, among others, enables the Company to effectively reduce downtimes. For a majority of the components, only predetermined brands and models are procured to reduce decision times and incorporate the best components in operations.

The making of green manufactured capital

The mines are the starting point for implementing greener practices in Dalmia's journey to manufacture cement more sustainably. The Company incorporated interventions to enhance safety and well-being of relevant stakeholders in the vicinity of its operations. Planting trees, maintaining water resources, suppressing dust emissions and harvesting rainwater in catchment areas are some of the key initiatives adopted across the Company's operational areas. Some examples of the Company's eco-friendly technologies deployed include the use of large excavators to minimize blasting, elimination of secondary blasting through deployment of rock breakers, operationalization of drillers with in-built dust collection and mist systems, dry fog dust controlling systems and creation of rainwater harvesting systems. The integrated cement plants, captive power plants and grinding units are further accelerating the Company's focus on green manufactured capital via the conversion of waste to wealth. In a bid to reduce costs and improve the quality parameters, the Company is utilizing waste material from industries such as iron & steel, power, pharmaceuticals, aluminium, etc., in its cement production process as alternate raw materials and fuels.

Dalmia created a win-win scenario where its bottomline is being positively driven through the conservation of natural resources such as limestone, reduction of carbon footprints and responsible waste disposal from core industrial sectors. Despite consuming less water compared to other industrial sectors, Dalmia undertook several forward-looking initiatives to drive water conservation at the design stage comprising the installation of air-cooled condensers in captive power plants.

The Company embarked on moderating water consumption and installing rainwater harvesting structures at all its plants. The cumulative rainwater harvested is more than the water consumed at its cement plants, captive power plants and colonies on an annual basis, leading the Company to achieve water-positive status from a Group perspective during the fiscal gone by. As a result of these initiatives across plants, the Group received the #1 rank in the global cement sector related to low carbon transition from the CDP (formerly Carbon Disclosure Project).

Mobile connect

Dalmia embarked on a transformation journey focused on building a digital enterprise encompassing business functions. Dalmia intends to create innovative operations that extend beyond enterprise resource planning through the use of supply chain management, plant automation, business analytics, mobility, cloud and real-time information availability. More projects are underway, covering sales, logistics, manufacturing, finance and human resource, among others. The company launched innovative, first-in-the-industry apps to deepen enterprise bandwidth and forge stronger ties with employees, partners, dealers and customers. These comprised:

Dealers: The Suvidha app was designed to help dealers in their order life cycle management and gain access to account details and key performance parameters.

Drivers and transporters: Driver Saathi is a high-end electronic proof of delivery app that enables drivers and transporters to capture online proofs-of-delivery instantly, expedite transporter payments and provide feedback on receipts.

Consumers and influencers: Aware of the significance of building a strong connect with our consumers and influencers (engineers, architects and masons), Dalmia created the Home Expert app that helps consumers draw out cost estimates, provides tips on construction practices and offers lead generation and loyalty incentives.

Employees: The Dalmia Public Relations app enables members of the senior managerial team to provide instant approval on purchase requisitions, anyplace, anytime, anywhere. Conceptualized as a one-stop resource for assessing consumer needs, the Sm@rt-D app allows our sales officers to always stay a step ahead. Besides helping them with the complete sales life cycle management, it enables sales officers to track customer performance metrics and secondary sales information.

Cloud computing: Dalmia leveraged best-in-class cloud offering to migrate its existing IT systems to cloud platforms and build cloud-centric IT services. During the past year, Dalmia migrated greater than 90% of infrastructure and applications on infrastructure as a service and software as a service-based cloud platforms. Google and Amazon allowed Dalmia to integrate a larger partner ecosystem on its digital platform. As part of its strategic road map, Dalmia now intends to move to the next level of cloud-based services,fostering digitization and boosting agility for Dalmia's partner ecosystem.

Analytics: The Company believes that access to reliable data on a real-time basis is crucial towards taking judicious decisions. Regular monitoring of external factors combined with in-depth analysis of the same has enabled it to create a robust analytical architecture, which is capable of providing minute details pertaining to the cement and ancillary businesses via text messages, e-mails and our website updates.

Productivity and collaboration applications: Starting its journey with a small-scale in-house network, Dalmia migrated to Google Suite for bolstering productivity levels through enhanced workplace collaboration on the HR information system.

Plant logistics management: Led by a strong focus on continuously improving plant logistics management, Dalmia developed an integrated system for executing factory dispatches in a streamlined manner. The system encompasses the entire value chain of logistics, from gate-in to gate-out. Besides internal vehicle tracking, it enables bottleneck analyses, gross weighing and tolerance checks, among others.

Digital reinvention: IT and business process re-engineering emerged as important drivers of Dalmia's digital reinvention. Its transformation agenda hinges on the ability to provide just-in-time data so as to meet business obligations. Best-in-class industry practices help the Company effectively manage operations, lay down governance principles and comply with stipulated regulations.

Data security: Dalmia took a focused approach towards developing and maintaining data security by conducting objective assessments and drawing a strategic map for security domains. Risk management programmes were integrated into the strategic business planning.

Future plans

Transformation of end-user computing platforms: Going forward, Dalmia intends to migrate from a Windows to a Google OS-based platform, thereby facilitating seamless integration between devices (mobiles, tablets and laptops). The transformation will also reduce overheads traditionally associated with Windows systems and fortify security levels.

Transforming application access and Networks with Software Defined Wide Area Network (SD WAN): Dalmia intends to expand its software defined network deployment that would leverage ubiquitous internet as medium to access any application be it on cloud or within the Company's data centres, eliminating the need for MPLS/WAN and LAN infrastructure.

Virtual desktop infrastructure: Dalmia is moving towards an enterprise-wide virtual desktop infrastructure system, which will allow highly secure and centralized data access. This will enable its partners to leverage in-house applications for providing business services.

Cloud migration #2: After migrating core infrastructure to SAAS and IAAS cloud platforms, Dalmia now intends to initiate the next phase of cloud migration. With applications like cloud-based IP telephony and video conferencing already operationalized, this next phase of cloud migration would help the Company extend its services beyond established borders and make them device-agnostic.

Migrating to High-performance Analytic Appliance (HANA): Dalmia intends to migrate to HANA in a bid to improve transaction processing and reporting capabilities and re-engineer existing business processes to boost productivity levels.

Managing risks at the Company

Economic risk

Impact	De-risking
Economic slowdown could impact corporate growth and nationwide cement demand	India's GDP growth is expected to accelerate to 7.4% in 2018-19 and 7.5% in 2019-20, while cement consumption is expected to grow by ~8% in 2019 on the back of increased spending on infrastructure creation and affordable housing.

Cost risk

Impact	De-risking
Increase in direct costs could have an impact on margins	The Company has forged strong vendor relationships, making it possible to procure raw materials at pocket-friendly costs. Besides, the environment-friendly initiatives undertaken by the Company (higher production of blended cement with increased use of additives like fly ash and slag) and optimization of fuel mixes through higher usage of value-for-money fuels resulted in the moderation of power costs despite a spike in raw material and fuel costs.

Logistics risk

Impact	De-risking
Increase in logistics costs could impact profitability	The Group has plants at strategic locations to enjoy proximity to key markets and raw material sources. An enhanced focus on digitization could help lower logistics costs and lead-times.

Competition risk

Impact	De-risking
Intensifying competition could impact market share	The Company is working on capacity addition in the East which will help it capture a larger market share in existing markets. The Company also possesses a diverse product mix catering to every segment and need.

Debt risk

Impact	De-risking
Inability to service debt on time could impact overall performance.	Dalmia's interest coverage ratio improved from 1.2x in FY2016-17 to 1.8x in FY2017-18.

Employee risk

Impact	De-risking
Inability to maintain a holistic work environment could result in attrition	The Company invested in overarching people engagement initiatives such as training and welfare programmes and provided ESOPs, infusing a sense of ownership, pride and maintaining an employee-friendly atmosphere.

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees and an organizational culture that is in sync with the 'New India' where tradition and modernity blend seamlessly. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As on 31st March 2018, employee strength at the Company stood at 5,836 with an average age of 39 years. The Company undertook several decisive initiatives to bolster productivity levels, including:

- Assessing existing talent to understand competencies
- Reassigning roles
- Creating role-based KRAs
- Evaluating role delivery rather than target delivery

Subsequently, the Company reduced head counts by not replacing people who left the organization and instead, the Company re -skilled and re-deployed them. With business acquisitions running in parallel and talent acquisition frozen, the Company was able to enhance the productivity levels of the existing workforce.

In terms of operational efficiency, the Company was able to lay a keen emphasis on the following:

- On-boarding skilled people
- Devising innovative methods using newly-acquired knowledge, skill and competencies
- Boosting efficiency levels

In terms of qualitative excellence, the Company was able to lay a keen emphasis on the following:

- Acquiring best-in-class talent
- Conducting Nalanda (Leadership, Learning and Change Department) workshops at all of the plants

Internal control systems and their adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined organization structure, authority levels, internal rules and guidelines for conducting the business transactions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner. Internal audit department of the company carries out the internal audit of the company operations and reports its finding to the audit committee. In this process the internal audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal audit is carried out as per risk based internal audit plan which is reviewed by the audit committee of the Company. The committee periodically reviews the findings and suggestions for the improvement and is apprised on the implementation status in respect of the actionable items.

Corporate information

Board of Directors
Pradip Kumar Khaitan - *Chairman*

Jai Hari Dalmia

Yadu Hari Dalmia

Gautam Dalmia - *Managing Director*

Puneet Yadu Dalmia - *Managing Director*

N. Gopalaswamy

Virendra Singh Jain

D.N. Davar

Sudha Pillai

Jayesh Doshi – *Whole Time Director & Chief Financial Officer*

Management Team
Gautam Dalmia

Puneet Yadu Dalmia

Mahendra Singhi

Ujjwal Batria

Jayesh Doshi

Company Secretary
Dr. Sanjeev Gemawat

Auditors
S.S. Kothari Metha & Co.

Bankers
State Bank of India

Yes Bank Limited

HDFC Bank Limited

Axis Bank Limited

Punjab National Bank

International Finance Corporation (IFC)

IndusInd Bank Limited

Export Import Bank of India
Canara Bank

Landesbank, Germany

Registered Office
Odisha Cement Limited
(Pursuant to the Restructuring Scheme and upon approval u/s 13 of the Companies Act, 2013 the Company shall be renamed as Dalmia Bharat Limited)
Dalmiapuram - 621651
District: Tiruchirapalli
Tamil Nadu

Corporate Office
Hansalaya Building,
11th & 12th floors
15, Barakhamba Road
New Delhi – 110001

Registrar and Share Transfer Agent
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Directors' Report

Dear Members,

Your Directors have pleasure in submitting their 5th report alongwith the financial statements of the Company and the highlights of the performance of subsidiaries, associates and joint venture companies (collectively referred to as "the Group") and their contribution to the overall performance of the Company for the financial year ended March 31, 2018.

Financial Highlights

(₹ Crore)

Particulars	Standalone		Consolidated	
	FY–2017-18	*FY–2016-17	FY–2017-18	*FY–2016-17
Revenue from operations	125	103	8828	8340
Profit before interest, depreciation and tax	102	82	2292	2190
Less: Interest and Financial Charges	4	21	690	856
Profit before depreciation and tax	**98**	**61**	**1602**	**1334**
Less: Depreciation	4	4	1213	1226
Profit before tax	94	57	389	108
Provision for current tax	21	16	108	74
Provision for deferred tax	1	1	17	15
Prior year tax charge	-	-	(28)	(15)
Deferred tax for earlier year	-	-	1	-
Profit / (loss) after tax before share of profit in associates	**72**	**40**	**291**	**34**
Less: Share of minority interest	-	-	(1)	(10)
Profit / (loss) after tax	72	40	292	44
Other Comprehensive Income	2	(1)	448	23
Total Comprehensive Income	**74**	**39**	**740**	**67**
Add: Surplus brought forward	82	44	1241	1330
Add: Amount transferred from debenture redemption reserve	-	-	131	29
Profit available for appropriation	**156**	**83**	**2112**	**1426**
Surplus carried forward after appropriations	**123**	**82**	**2042**	**1241**

*The Financial Highlights for FY 2017-18 and FY 2016-17 are after giving effect to the merger of erstwhile Dalmia Bharat Limited ("DBL") and erstwhile OCL India Limited ("OCL"), both listed on BSE Limited and National Stock Exchange of India Limited, and other entities pursuant to the Scheme(s) of Arrangement and Amalgamation with effect from the Appointed Date, i.e., January 01, 2015. The figures of FY 2016-17 have accordingly been recasted.

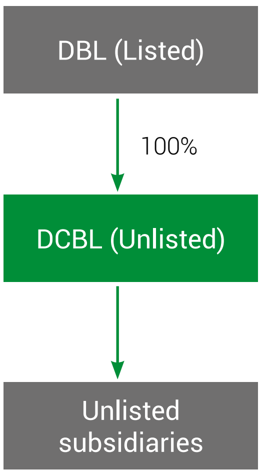
Schemes of Arrangement and Amalgamation

As part of the group restructuring, the following Scheme(s) of Arrangement and Amalgamation have been approved by the National Company Law Tribunal ("NCLT") and have been given effect to from the Appointed Date i.e. January 1, 2015:

a) Scheme of Arrangement and Amalgamation involving the Company, OCL India Limited, Dalmia Cement East Limited, Shri Rangam Securities & Holdings Limited and Dalmia Bharat Cement Holdings Limited ("Scheme A")

b) Scheme of Arrangement involving the Company, Dalmia Bharat Limited (DBL) and Dalmia Cement (Bharat) Limited (DCBL) ("Scheme B").

As a result of the group restructuring and implementation of the aforesaid Schemes, the Company (to be renamed as Dalmia Bharat Limited) is the ultimate listed holding company and the erstwhile listed Companies namely Dalmia Bharat Limited and OCL India Limited stand dissolved without winding up and the group's manufacturing undertaking(s) pertaining inter-alia to cement, refractory and power have been consolidated into one operating company, namely Dalmia Cement (Bharat) Limited. Accordingly the group structure is as under:



In terms of Scheme A, the Company has issued and allotted equity shares to the shareholders of OCL in the ratio of 1:1. Further, in terms of Scheme B, the Company shall issue and allot equity shares to the shareholders of DBL (whose name appears in the register of members as on the Record Date to be fixed by the Company), in the ratio of 2:1.

In view of Scheme A and B having been implemented, the Company shall file the requisite forms with the Registrar of Companies for change of its name from Odisha Cement Limited to Dalmia Bharat Limited, which shall be changed upon issuance of the fresh Certificate of Incorporation by the Registrar of Companies.

Operations and Business Performance

Sustained value creation is rooted in our core values and we have always attempted to integrate needs of our people, customers, community and the environment into our operating and governance model. This report reflects our efforts towards making our business a sustainable one while creating a better environment for our talents, customers, shareholders, suppliers and communities at large. Our aim is to be the best amongst our peers while delivering returns to all our stakeholders.

The net revenue of the Company for the financial year 2017-18 has increased by 21.36% which is Rs. 125 crore as compared to Rs. 103 crore in financial year 2016-17 and the profit before tax for financial year 2017-18 has increased by 64.91% which is Rs. 94 crore as compared to Rs. 57 Crore in financial year 2016-17.

The performance of the Company along with its subsidiaries, associates and joint venture companies during financial year 2017-18 is a showcase of how cement companies that have invested in the right strategy can grow across industry cycles. The Group has focused on improving all the efficiencies parameter which in turn has helped to improve the margins. The result is that we have been successful in increasing gross revenue of the Group for the financial year 2017-18 by 5.85% which is Rs. 8828 crore as compared to Rs. 8340 crore in financial year 2016-17 and the profit before tax for financial year 2017-18 has increased by 260% which is Rs. 389 crore as compared to Rs. 108 crore in financial year 2016-17.

Management Discussion and Analysis for the year under review, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, giving detailed analysis of the performance of the Company and the group is presented in a separate section forming part of this Annual Report.

The Company is engaged in the business of, inter alia, providing management services.

Dividend

Your Directors have recommended a dividend of Rs 1.70 (85%) per equity share of face value of Rs. 2/- each for the financial year 2017-18 based on the prevailing financial and non-financial factors in terms of the Dividend Distribution Policy of the Company. The dividend distribution would result in a cash outgo of Rs. 39.49 Crore (including tax on dividend of Rs. 6.73 Crore).

The Register of Members and Share Transfer books will remain closed from December 26, 2018 to December 31, 2018 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2018 and the Annual General Meeting. The Annual General Meeting is scheduled to be held on December 31, 2018.

Transfer to reserves

The Company has not transferred any amount to the General Reserve.

Credit rating

There are no borrowings in the Company.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS) 110, the Annual Report includes Consolidated Financial Statements for the financial year 2017-18 which have been prepared based on audited financial statements of all subsidiaries including step down subsidiaries, associates and the joint venture companies. The Auditors' observation under emphasis of matter has been clarified in note no. 34(b) of the notes to accounts to the Consolidated Financial Statements of the Company for the year ended March 31, 2018.

Subsidiaries, Associates and Joint Venture Companies

Upon implementation of the Schemes effective from the Appointed date i.e. January 1, 2015, all the subsidiaries/ joint ventures/associates companies of erstwhile DBL and OCL (since amalgamated with the Company) have become the subsidiaries/joint ventures/associate companies of the Company. Accordingly, the Company has 28 subsidiaries, 2 joint venture companies and 1 associate company as on March 31, 2018 as under:

Subsidiaries: Dalmia Cement (Bharat) Limited, Dalmia Power Limited the Subsidiaries of Dalmia Cement (Bharat) Limited, viz., Ishita Properties Limited, Shri Rangam Properties Limited, Geetee Estates Limited, D. I. Properties Limited, Hemshila Properties Limited, Chandrasekara Agro Farms Private Limited, Dalmia Minerals & Properties Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Shanmugha Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudana Mines and Properties Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Vinay Cement Limited, SCL Cements Limited, RCL Cements Limited, Alsthom Industries Limited, JayeVijay Agro Farms Private Limited, Bangaru Kamakshiamman Agro Farms Private Limited, OCL Global Limited, and OCL China Limited.

Joint venture companies: Khappa Coal Company Private Limited and Radhikapur (West) Coal Mining Private Limited.

Associate Company Dalmia Renewables Energy Limited.

A report on the performance and financial position of each of the Company's subsidiaries, joint ventures and associate companies for the financial year ended March 31, 2018 in Form AOC 1 is attached and marked as **Annexure - 1** and forms part of this report. The contribution of the Company's subsidiaries, joint ventures and associates companies to the overall performance of the Company during the period under report is given under the aforementioned financial highlights.

The annual reports of subsidiaries/joint ventures /associate companies are not being published and any member desirous of obtaining a copy of the same may write to the Company Secretary. Any member desirous to inspect the same, may conduct inspection at the registered office of the Company during business hours.

The Company's policy on Material Subsidiary Companies may be accessed at the Company's website at http://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf

Board meetings

The Board of Directors of the Company met five times during the financial year 2017-18, i.e., on May 05, 2017, August 31, 2017, November 07, 2017, February 07, 2018 and March 23, 2018. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of this Annual Report.

Directors and Key Managerial Personnel

During the financial year 2017-18, the Board was comprised of Mr. Amandeep, Mr. Ganesh Jirkuntwar and Mr. Ashwini Kumar Dalmia. All were Non-Executive Director(s).

Pursuant to implementation of the Schemes and in terms of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and the Nomination and Remuneration Policy of the Company, the Board has been reconstituted.

Mr. Pradip Kumar Khaitan, Mr. Jai Hari Dalmia, Mr. Yadu Hari Dalmia, Mr. Gautam Dalmia, Mr. Puneet Yadu Dalmia, Mr. Nagarajan Gopalaswamy, Mr. Virendra Singh Jain, Mrs. Sudha Pillai, Mr. Dharmendar Nath Davar and Mr. Jayesh Doshi have been appointed as Additional Directors with effect from October 15, 2018 and Mr. Ganesh Jirkuntwar, and Mr. Amandeep and Mr. Ashwini Kumar Dalmia have resigned from the directorship with effect from October 15, 2018 and October 16, 2018 respectively.

Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia have been appointed as Managing Director(s) and Mr. Jayesh Doshi has been appointed as Whole Time Director and Chief Financial Officer of the Company, with effect from October 30, 2018.

The period of office of Mr. Jai Hari Dalmia, Mr. Yadu Hari Dalmia, Mr. Dharmendar Nath Davar and Mr. Jayesh Doshi is liable to determination by retirement of directors by rotation. All the Additional Directors being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Pradip Kumar Khaitan, Mr. Nagarajan Gopalaswamy, Mr. Virendra Singh Jain and Mrs. Sudha Pillai, being the Independent Directors, have given their declaration(s) of meeting the criteria of independence laid down in the Companies Act, 2013 and SEBI LODR.

Dr. Sanjeev Gemawat has been appointed as the Company Secretary and Compliance Officer of the Company with effect from October 15, 2018.

Constitution of Committees

During the financial year 2017-18, prior to implementation of the Schemes, the Company was not required to have any committees of the Board. However, upon implementation of the Schemes and in terms of the Companies Act, 2013 and SEBI LODR Regulations, the Board of Directors of the Company in its meeting held on October 15, 2018 has constituted the following Committees as part of the best Corporate Governance practices:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The Board of Directors of the Company has further, in its meeting held on October 30, 2018, constituted the Group Governance Committee.

The details with respect to the compositions, powers, terms of reference etc. of the committees are given in detail in the Corporate Governance Report which forms part of this Annual Report.

Nomination and Remuneration Policy

Pursuant to implementation of the Schemes and in terms of the Companies Act, 2013 and SEBI LODR Regulations the Board of Directors has, in it its meeting held on October 15, 2018, adopted the Nomination and Remuneration Policy of the Company. The said policy lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the objective –

(a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;

(c) to adopt best practices to attract and retain talent by the Company; and

(d) to ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration policy of the Company can be accessed at www.dalmiabharat.com

Performance Evaluation

The formal annual evaluation of the performance of the Board, its committees and individual Directors was carried out in erstwhile DBL as well as OCL (since amalgamated with the Company), both listed companies, by their respective Independent Directors, the Nomination and Remuneration Committee(s) and the Board(s) in compliance with the Companies Act, 2013 and SEBI LODR Regulations during financial year 2017-18.

An indicative criteria was circulated to the Directors of respective companies to facilitate such evaluation. Based on the feedback of the Directors and on due deliberations of the views and counter views, the evaluation was carried out in terms of the Nomination and Remuneration Policy and such indicative criterion.

The provisions relating to performance evaluation were however not applicable to the Company during the financial year 2017-18.

Directors' Responsibility Statement

Your Directors state that:

(a) In preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same.

(b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

(d) The Directors have prepared the annual accounts on a going concern basis.

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Remuneration of Directors, Key Managerial Personnel and Employees

The details relating to the ratio of the remuneration of each director to the median employee's remuneration of erstwhile DBL and OCL (since amalgamated with the Company) and other prescribed details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached and marked as **Annexure – 2** and forms part of this Report.

A statement showing the names of the top ten employees, after giving effect to the Schemes, in terms of remuneration drawn and other employees drawing remuneration in excess of the limits set out in Rules 5(2) and other particulars in terms of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached and marked as **Annexure – 3** and forms part of this Report.

Employees' Stock Option Scheme

The Board of Directors has, in its meeting held on October 30, 2018, adopted DBEL ESOP Scheme 2011 of erstwhile DBL with a new name "DBL ESOP Scheme 2018" having the same terms and conditions.

As per clause 9.5 of Scheme B, in lieu of every 1 (one) stock option held by the Eligible Employees under the DBEL ESOP Scheme 2011 (whether vested or unvested) the Company shall grant 2 (Two) new stock options ("New Options") to the Eligible Employees and the existing stock options held by them under the DBEL ESOP Scheme 2011 shall stand cancelled. The New Options shall entitle the Eligible Employees to purchase 1 (One) equity share of the Company for each New Option under the DBL ESOP Scheme 2018.

The Nomination and Remuneration Committee of the erstwhile DBL (since amalgamated with the Company) had granted 10,67,000 stock options during the financial year 2017-18, net of lapsed options, to its eligible employees. During the year, 1,87,500 stock options were vested to eligible employees against which 1,87,500 equity shares of Rs. 2/- each were allotted upon exercise of stock options by the employees.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the Scheme are available on the Company's website www.dalmiabharat.com.

A certificate from the Statutory Auditors of the Company on implementation of the Company's Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the members.

Corporate Governance Report

Effective governance structure, systems and procedures at all levels of the group has ensured continual process improvement in accordance with the Company's long term vision -"To be a leader in building materials that evokes pride in all stakeholders through customer-centricity, innovation, sustainability and our values". We have maintained high standards of Corporate Governance based on the principle of effective implementation of internal control measures, adherence to the law and regulations, transparency and accountability at all levels of the organisation.

The corporate governance report for the financial year 2017-18 as required under SEBI LODR Regulations of erstwhile DBL and OCL (since amalgamated with the Company) is attached hereto together with the Auditors' certificate thereon and forms part of this Report.

Business Responsibility Report

During the financial year 2017-18, the provisions relating to Business Responsibility Report of the SEBI LODR Regulations were applicable to erstwhile DBL and OCL (since amalgamated with the Company), being one of top 500 companies based on market capitalization calculated as on March 31, 2018. Accordingly, the Business Responsibility Report is in the context of Company's present status and describing the initiatives taken by erstwhile DBL and OCL from environment, social and governance perspective and the same is attached hereto and forms part of this Report.

Annual Return

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the annual return of your Company for the financial year 2017-18 will be uploaded at the Company's website www.dalmiabharat.com.

Corporate Social Responsibility (CSR)

The Company has been constantly engaging and fostering relationships with the communities to understand their needs and requirements and formulating best fit solutions for them as a part of its CSR activities. The major areas of focus are water and energy, being two major challenges that the communities face. The Company has worked closely with the communities on water conservation and clean energy. Skilling people for livelihood is another pillar of our CSR program. Our CSR policy focusses on issues material to our business and stakeholders, with the objective to make significant and sustainable improvement in the lives of beneficiaries.

The Company is committed to creating shared values for all our stakeholders. The team deployed across India engages in real time with the stakeholders towards evaluation and fine tuning the interventions to address the needs of the beneficiaries and the local communities. Our efforts are primarily centred on four focus areas which are Soil and Water Conservation, Energy Conservation and Climate Change Mitigation, Livelihood Skill Intervention and Social Development.

The Corporate Social Responsibility Policy of the Company may be accessed at the Company's website www.dalmiabharat.com. Pursuant to the said Policy, the Company has made expenses aggregating to Rs. 1.07 Crore towards corporate social responsibility activities during the financial year 2017-18 which was about 4% of average net profits of the Company made during three immediately preceding financial years, post giving effect to the Scheme(s). The annual report on corporate social responsibility activities is attached and marked as **Annexure – 4** and forms part of this Report.

Related Party Transaction Policy and Transactions

The Related Party Transactions Policy of the Company may be accessed at the Company's website at http://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf.

The particulars of material contracts or arrangements or transactions with the related parties at arm's length basis, post implementation of the Scheme(s), are provided in prescribed Form AOC 2 and is attached and marked as **Annexure – 5** and forms part of this Report.

Risk Management

Your Company has constituted a Risk Management Committee to review the risk management plan / process of your Company and that the Company has adequate risk management procedures in place. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood. The Risk Management Committee oversees the risk management process.

The risk management procedure of the Company could be explained as below:

CONTEXT MANIFESTATION
A review of dalmia's internal and external environment as well as assessing the business processes from a risk point of view

DISCERNING RISKS
Risk areas pertaining to the different business aspects that threaten the Company's chances at achieving its goals are identified. These risks are further classified into various categories relating them to the capitals.

ANALYSING RISKS
The probability of occurrence of risk is evaluated and the magnitude of its impacts quantified. This involves identifying the sources as well as positive and negative impacts of the risks which act as a guiding plan for drafting mitigating measures.

EVALUATING RISKS
Subsequent to identifying and analysing risks, there is a need to prioritise them and determining how each risk will be handled.

MANAGING RISK
Assessing how the risks have been handled in the past and if there are any new interventions required. In case of new risks and challenges, the way forward is formulated in order to handle the risks effectively.

MONITORING RISKS
Involves the continuous monitoring of risks including the identification of new risk areas while keeping a close eye on old ones and reporting the same to the higher decision bodies.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal control systems commensurate with the size of its operations. Various business processes are categorized as Tier 1, 2, 3 and subsequently monitored at regular pre-determined intervals. The entire system is complemented by external auditing of selected functions such as the SAP – IT ERP system and IT general controls.

The internal auditors of the Company conduct regular internal audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required. There are established Cause-Effect-Action (CEA) systems and escalation matrices to ensure that all critical aspects are addressed well in time. Further, the tracking systems ensure that the leadership has access to real time data and discrepancies, if any, are addressed.

The roles and responsibilities of all talents and functions have been clearly laid out through a number of detailed standard operating procedure and delegation of authority. The risks identified in the audits are immediately accounted for in the processes and gets addressed through the Standard Operating Procedures.

Whistle Blower Policy and Vigil Mechanism

The Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, health, safety, environmental issues. Adequate safeguards are provided against victimization of stakeholders who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at http://www.dalmiabl.com/ upload/ policies/ DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to ensuring that all are treated with dignity and respect. The Human Resource and the Legal, Secretarial & Compliance department, in collaboration with other functions, ensure protection against sexual harassment of women at workplace and for the prevention and redressal of complaint in this regard.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year, no complaint has been received by ICC.

Loans, Guarantees, Security and Investments

Your Company has given loans and guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such loans and guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at Note Nos. 6, 7, 9, 10, 40 and 41.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

The particulars of energy conservation and technology absorption are not applicable to the Company as it is not engaged in any manufacturing activity.

The total foreign exchange earned by the Company during the financial year 2017-18 is Nil and the total foreign exchange used by the Company during the financial year 2017-18 is 3.10 crore.

Statutory Auditor and their report

M/s. S. S. Kothari Mehta & Co., were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on September 29, 2017 to hold office as such till the conclusion of eighth Annual general Meeting of the Company to be held in 2021.

The Company has received a certificate from them to the effect that they are eligible to continue as the Statutory Auditors of the Company and that they complied with the limits prescribed under the Companies Act, 2013 read with relevant rules. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There is no qualification, reservation or adverse remark in their report on Standalone Financial Statements. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any comments and explanation. The Auditors have not reported any matter under Section 143 (12) of the Act during the year under review.

Secretarial Auditor and their Report

Pursuant to the implementation of the Schemes and in terms of the Companies Act, 2013, the Board of Directors of the Company, in its meeting held on October 15, 2018, has appointed Mr. R. Venkatasubramanian, Practising Company Secretary, as Secretarial Auditors of the Company.

The Board of Directors of erstwhile DBL and OCL(since amalgamated with the Company) had, in compliance with the Companies Act, 2013, appointed Mr. R. Venkatasubramanian, Practising Company Secretary and Vikas Gera & Associates, Company Secretaries as the respective Secretarial Auditors to conduct their respective Secretarial Audit for the financial year 2017-18.

Based on the Secretarial Audit Reports of erstwhile DBL and OCL (since amalgamated with the Company), the Secretarial Auditors of the Company have given a Secretarial Audit report in Form MR 3 for financial year 2017-18 which is attached and marked as **Annexure – 6** and forms part of this Report. There is no qualification, reservation or adverse remark in the secretarial audit report.

Your Company is in compliance with all the Secretarial Standards issued by the Institute of Company Secretaries of India and having become effective.

Public Deposits

No public deposits are accepted by the Company.

Orders passed by Regulators

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

Acknowledgement

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the Government authorities, financial institutions, banks, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

P. K. Khaitan
Chairman
DIN-0004821

Place: New Delhi
Dated: October 30, 2018

Annexure - 1

Odisha Cement Limited

Pursuant to the Restructuring Schemes and upon approval u/s 13 of the Companies Act, 2013, the Company shall be renamed as Dalmia Bharat Limited

AOC-1

Salient features of financial statements of subsidiary / associates / Joint ventures as per Companies Act, 2013

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

Upon implementation of the Schemes effective from the Appointed date i.e. January 1, 2015, all the subsidiaries/joint ventures/associates companies of erstwhile DBL and OCL (since amalgamated with the Company) have become the subsidiaries/joint ventures/associate companies of the Company.

PART - A : Subsidiaries

(₹ in Crore)

Sl. no.	Name of the subsidiary	Reporting Currency	Share capital	Reserves & Surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
	Subsidiary												
1	Dalmia Cement (Bharat) Limited	INR	6,434	2,697	19,239	10,107	2,150	7,886	319	89	230	-	100.00%
2	Dalmia Power Limited	INR	1	659	994	335	973	-	(11)	-	(11)	-	100.00%
	Step down Subsidiaries												
3	D.I. Properties Limited	INR	0	(0)	2	2	-	-	(0)	-	(0)	-	100.00%
4	Shri Rangam Properties Limited	INR	0	2	11	8	-	-	(0)	-	(0)	-	100.00%
5	Dalmia Minerals & Properties Limited	INR	0	1	52	52	13	-	(0)		(0)	-	100.00%
6	Sri Shanamugha Mines & Minerals Limited	INR	0	1	9	8	-	-	(0)	-	(0)	-	100.00%
7	Sri Subramanya Mines & Minerals Limited	INR	0	1	6	5	-	-	(0)	-	(0)	-	100.00%
8	Ishita Properties Limited	INR	0	(2)	1	3	0	-	0	0	0	-	100.00%
9	Hemshila Properties Limited	INR	0	1	7	6	-	-	(0)	-	(0)	-	100.00%
10	Geetee Estates Limited	INR	0	1	7	6	-	-	(0)	-	(0)	-	100.00%
11	Sri Swaminatha Mines & Minerals Limited	INR	0	0	4	3	-	-	(0)	-	(0)	-	100.00%
12	Sri Trivikrama Mines & Properties Limited	INR	0	0	7	6	-	-	(0)	-	(0)	-	100.00%
13	Sri Madhusudana Mines & Properties Limited	INR	0	1	7	6	-	-	(0)	-	(0)	-	100.00%
14	Sri Dhandauthapani Mines & Minerals Limited	INR	0	0	0	0	-	-	0	-	0	-	100.00%
15	Golden Hills Resort Private Limited	INR	1	0	2	1	-	-	(0)	-	(0)	-	100.00%
16	Rajputna Properties Private Limited	INR	0	(0)	5	5	-	-	(0)	-	(0)	-	100.00%
17	Sutnga Mines Private Limited	INR	2	0	2	0	-	-	(0)	0	(0)	-	100.00%
18	Cosmos Cements Limited	INR	14	(1)	50	37	-	-	(0)	(0)	(0)	-	100.00%
19	Calcolm Cement India Limited	INR	409	(226)	1,518	1,335	73	757	34	-	34	-	76.00%
20	RCL Cements Limited	INR	4	9	39	26	31	0	(3)	(1)	(2)	-	100.00%
21	SCL Cement Limited	INR	3	(36)	8	41	-	0	(6)	-	(6)	-	100.00%
22	Vinay Cement Limited	INR	19	(132)	125	239	53	21	(11)	(0)	(11)	-	97.21%
23	Bangaru Kamakshi Amman Agro Frams Private Limited	INR	0	(1)	4	5	-	-	(0)	-	(0)	-	100.00%
24	Jayevijay Agro Farms Private Limited	INR	0	(1)	3	4	-	-	(0)	-	(0)	-	100.00%
25	OCL Global Limited	USD	0	57	64	7	28	121	14	-	14	-	100.00%
26	OCL China Limited	RMB	24	17	63	22	-	109	(4)	-	(4)	-	90.00%
27	Althom Industries Limited	INR	19	(7)	112	100	-	100	(6)	-	(6)	-	99.99%
28	Chandrasekara Agro Farms Private Limited	INR	0	(0)	2	2	-	-	(0)	-	(0)	-	100.00%

Names of subsidiaries which are yet to commence operation

Nil

Names of subsidiaries which have been liquidated or sold during the year in erstwhile DBL

(₹ in Crore)

Sl. no.	Name of the subsidiary	Reporting Currency	Share capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
	Subsidiary												
1	Kanika Investment Limited	INR	-	-	-	-	-	-	(0)	-	(0)	-	100.00%
	Step down Subsidiaries												
2	Arjuna Brokers & Minerals Limited	INR	-	-	-	-	-	-	0	-	0	-	100.00%
3	Shri Radha Krishna Brokers & Holdings Limited	INR		-	-	-	-	-	0	-	0	-	100.00%

PART - B : Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

Shares of Associate/Joint ventures held by the company at the year end

(₹ in Crore)

Sl. no.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associates/ Joint Venture	Extend of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year considered in consolidation	Profit / Loss for the year not considered in consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	Joint Venture									
1	Khappa Coal Company Private Limited	31-Mar-18	18,36,500	2	0	1	-	-	-	-
2	Radhikapur (West) Coal Mining Private Limited	31-Mar-18	38,35,000	4	0	4	0	-	-	-
	Associates									
1	Dalmia Renewables Energy Limited	31-Mar-18	48,995	0	0	0	-	-	-	-

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date: October 30, 2018

Annexure - 2

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review the Company did not have any employee. The position for erstwhile Dalmia Bharat Limited and OCL India Limited is given below:

Erstwhile Dalmia Bharat Limited

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 are as under:

Name of the Director/KMP and Designation	Remuneration of Director/KMP for the F.Y. 2017-18 Rs crore	Ratio of remuneration of each Director to median remuneration* of employees of the Company	% increase in the remuneration in the F.Y. 2017-18
Mr. P.K. Khaitan, Chairman Non-Executive Independent	0.22	1.57	--
Mr. Jai H. Dalmia Managing Director	4.97	35.5	154.87
Mr. Y. H. Dalmia Managing Director	6.82	48.71	195.24
Mr. N. Gopalaswamy Non-Executive Independent	0.20	1.42	--
Mr. Gautam Dalmia Non-Executive	0.04	0.28	--
Mr. Puneet Yadu Dalmia Non-Executive	0.03	0.21	--
Mr. V.S. Jain Non-Executive Independent	0.23	1.64	29.41
Mrs. Sudha Pillai Non-Executive	0.16	1.14	7.69
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	5.40	38.57	151.69
Ms. Nidhi Bisaria Company Secretary (Upto 07.11.2017)	0.10	Not Applicable	14.00
Dr. Sanjeev Gemawat Company Secretary (Effective from 07/11/2017)	0.72	Not Applicable	NA

Note:. 1* The median remuneration of employees of the Company during the financial year 2017-18 was Rs. 13, 84, 013/-

2. The percentage increase in the median remuneration of employees in the financial year was 1.65%.
3. The number of permanent employees on the rolls of the Company at the end of the financial year was 285
4. The average percentage increase in the salaries of employees other than the managerial personnel was 13.1% during the financial year 2017-18 whereas the percentage increase in the remuneration of managerial personnel during the said financial year was 62%. The higher increase in the remuneration of managerial personnel was due to revision of salary, variable pay and perquisite value of stock options.
5. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and senior management personnel is as per the Nomination & Remuneration Policy of the Company.

Erstwhile OCL India Limited

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 are as under:

Name of Directors/Key Managerial Personnel and designation	Remuneration during FY 2017-18	Ratio of the remuneration of each Director to the median remuneration* of the employees	% increase in remuneration during FY 2017-18
Mr. P.K. Khaitan, Chairman Non-Executive Independent	0.27	9.00	12.50
Mr. Gaurav Dalmia Non Executive Non Independent	0.13	4.33	8.33
Mr. Gautam Dalmia Non Executive Non Independent	0.05	1.66	66.66
Mr. Puneet Yadu Dalmia, Managing Director	17.63	587.67	-10.19
Mr. D. N. Davar Non Executive Independent	0.30	10.00	11.11
Mr. V. P. Sood Non Executive Independent	0.21	7.00	0.00
Mrs. Sudha Pillai Non Executive Independent	0.18	6.00	5.88
Mr. Jayesh Doshi Non Executive Non Independent	0.04	1.33	0.00
Mr. Mahendra Singhi CEO & Whole Time Director **	0.00	0.00	0.00
Mr. Amandeep Whole Time Director	2.57	85.67	-74.09
Mr. H.L. Agarwal Sr. Executive Director (Finance) & Chief Financial Officer	1.68	-	31
Mrs. Rachna Goria General Manager (Legal) & Company Secretary	0.28	-	17

*The median remuneration of employees during the financial year 2017-18 was Rs. 3,03,219/-

**Mr. Mahendra Singhi, Chief Executive Officer and Whole Time Director of the Company, who is the Group Chief Executive Officer and the Whole Time Director of Dalmia Cement (Bharat) Limited (holding company of OCL India Limited) also, does not receive any remuneration from the Company.

2. The percentage increase in the median remuneration of employees in the financial year 2017-18 was 0.00%.
3. The number of permanent employees on the rolls of Company as on March 31, 2018 were 2658.
4. The average percentage increase in the salaries of employees other than the managerial personnel was 11.7% during the financial year 2017-18 whereas the percentage increase in the remuneration of managerial personnel during the said financial year was 71.78%.
5. The remuneration paid to Directors, Key Managerial Personnel and senior management personnel is as per the Nomination and Remuneration Policy of the Company.

Annexure - 3

Odisha Cement Limited (to be renamed as Dalmia Bharat Limited pursuant to the Schemes)

Statement of Pariculars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2017-18.

Sl. no.	Name	Age	Designation	Qualifications	Experience (years)	Date of Commencement of Employment*	Last Employment held	Remuneration received (₹ in Crore)	Whether related to a Director
A.	**Employed throughout the year**								
1	MR J H DALMIA	72	MANAGING DIRECTOR	B.E. (ELEC.), M.S. IN ELECTRICAL ENGINEERING, USA	48	01/04/2007	ORISSA CEMENT LIMITED	5.57	Yes**
2	MR R K AGRAWAL	60	EXECUTIVE DIRECTOR	CA, CS(INTER), B.COM	41	01/09/1997	DALMIA INDUSTRIES LIMITED	1.21#	No
3	MR C N MAHESHWARI	61	CHIEF EXECUTIVE OFFICER - REFRACTORY	CA, CS, COST ACCOUNTANT, B.COM	38	05/05/2006	EIH LTD	3.06#	No
4	MR PANKAJ RASTOGI	54	CHIEF OPERATING OFFICER	B.TECH, PGDM	31	06/12/1999	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	3.37#	No
5	MR SANJAY S MITRA	56	SENIOR EXECUTIVE DIRECTOR	B.COM (HONS.), F.C.A.	34	12/07/1983	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	1.09	No
6	MR PRABIR CHAKRAVARTY	66	CEO - MINES	MEP - IIM-A, B.E. (ELECTRICAL), B.SC.	43	06/11/2014	GLOBAL METAL & ENERGY PVT. LTD	1.15	No
7	MR MAYANK GUPTA	42	ASSISTANT EXECUTIVE DIRECTOR	PGDM - IIM-B, B.SC. (NAUTICAL SCIENCE)	19	10/11/2014	ACCENTURE MANAGEMENT CONSULTING	1.18	No
8	MR SURATH KR. MUKHERJEE	49	EXECUTIVE DIRECTOR	A.C.A , A.I.C.W.A	23	29/08/2008	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	1.26	No
9	MR INGO MICHAEL GRUBER	56	EXECUTIVE DIRECTOR	Post Graduate in Mining Engineering	25	06/07/2016	RHI	1.29	No
10	MR ANAND KUMAR KANODIA	48	EXECUTIVE DIRECTOR	B.COM, ACA, ACS	26	08/04/2016	ACME TECHNOLOGIES	1.62	No
11	MR SAMEER NAGPAL	48	CHIEF EXECUTIVE OFFICER - REFRACTORY	BE MECHANICAL, PGDBM	28	03/08/2015	SHALIMAR PAINTS	1.58	No
12	MRS REENA VERMA BHASIN	44	EXECUTIVE DIRECTOR	CFA - AIMR LONDON	22	01/12/2016	ARPWOOD	1.48	No
13	MR AMIT GARG	50	EXECUTIVE DIRECTOR	PGDM - MARKETING AND FINANCE	24	21/11/2016	HINDUSTAN TIMES	1.59	No
14	MR B B MEHTA	64	CHIEF EXECUTIVE OFFICER - SUGAR BUSINESS	B.COM (HONS.), A.C.A	41	26/02/1977	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	6.86#	No
15	MR AJIT MENON	53	SENIOR EXECUTIVE DIRECTOR	B.S.C, B.B.A	21	31/08/2012	DDB MUDRA PRIVATE LIMITED	5.15#	No
16	MR JAYESH NAGINDAS DOSHI	53	SENIOR EXECUTIVE DIRECTOR	B.COM, B.L.L, A.C.A.	26	01/02/2013	PANCHSHIL REALTY	5.52#	No
17	MR HARISH CHANDER SEHGAL	60	GROUP GENERAL COUNCEL	B.COM (H), LLB	37	10/08/2009	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	8.09#	No
18	MR Y H DALMIA	70	VICE CHAIRMAN	B.COM (HONS), F.C.A.	47	01/04/2011	NONE	7.57	Yes**
B.	**Emloyed for part of the year**								
1	DR. SANJEEV GEMAWAT	47	COMPANY SECRETARY	B COM,LLB,LLM,FCS;FCA;FCMA , PhD	24	01/11/2017	DALMIA CEMENT (BHARAT) LIMITED	0.75	No

* Date of commencement of employment is in the erstwhile Dalmia Bharat Limited and not in the Company . All these employees were employees of erstwhile Dalmia Bharat Limited and became employees of the Company pursuant to the Scheme of Arrnagement and Amalgamation.

** Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia are sons of Mr. J.H. Dalmia and Mr. Y.H. Dalmia, respectively. Mr. J.H.Dalmia and Mr. Y.H. Dalmia, are brothers and accordinlgy all the four Directors are related to each other.

the remuneration includes perquisite value of shares alloted under ESOP Scheme of erstwhile DBL.

Notes:

1. None of the above employees held 2% or above of the equity shares of the Company as on March 31, 2018 either himself and/ or alongwith his spouse and dependent children.
2. Mr. J.H. Dalmia and Mr. Y.H. Dalmia are employed as Managerial Personnel on fixed term basis during the financial year ended March 31, 2018.
3. Remuneration shown above includes, inter alia, value of perquisites, allowances and all retiral benefits (excluding gratuity).

Annexure - 4

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1. A brief outline of the company's Corporate Social Responsibility policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Corporate Social Responsibility policy and projects or programs.

CORPORATE SOCIAL RESPONSIBILITY

Dalmia Bharat Group which was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than seven decades. The Corporate Social Responsibility of the company is based on the principal of Gandhian Trusteeship. For over seven decades the company addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

The prime objective of our Corporate Social Responsibility Policy is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

In the recent years company has realigned its Corporate Social Responsibility to focus on issues material to the company and its stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Stakeholder engagements and baseline studies highlighted the issues of water scarcity, erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. The company realized that these issues were more material to their Group's businesses as well as to the communities around their facilities. Dalmia Bharat Group thus planned their Corporate Social Responsibility programmes in sectors of Soil & water conservation; Energy conservation and climate change mitigation; Skill development & livelihood Training and Social Development.

Our Corporate Social Responsibility Policy can be accessed on http://dalmiabl.com/company-policies.html

Presently, Odisha Cement Limited (read with scheme of arrangement and amalgamation and upon approval u/s 13 of the Companies Act, 2013, the Company shall be renamed as DALMIA BHARAT LIMITED) is working in 5 states viz. Tamil Nadu, Andhra Pradesh, Karnataka, Assam, Meghalaya and Rajasthan in 500 villages and 8 districts.

Our Key Corporate Social Responsibility focus areas as per Schedule VII of Section 135

Our Key Focus Areas

1. Soil and Water Conservation

   Depleting water table is a massive problem being faced across the country. In our neighbouring communities, the water table is as low as 500 feet, creating water scarcity and stress for agriculture and household use. We are thus working on a systematic, integrated and predictive approach for water management along with the community for water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability like check dams, village and farm ponds, ring wells, watershed activities.

   - Our initiatives have created an additional water harvesting of 20.81 lakh m3 this year, taking the total water harvested per year to 55.81 lakh m3.
   - Integrated Watershed Management Project
     - o In Melarasur Watershed Project, Dalmiapuram, 10,000 m3 of Bunding works completed covering an area of 220 Ha, covering 107 farmers. It would result in situ harvesting of 6.60 lakh m3 of water. 30 beneficiaries given a loan of INR 5.80 lakh for Milch Animals, Sheep rearing, nursery, etc.
     - o In Kovandakurichi Watershed, 3,565 m3 of Bunding works completed covering area of 21 Hectares resulting in harvesting of 0.63 lakh m3. 26 beneficiaries given a loan of INR 3.43 lakh for Milch animals, sheep rearing, petty shop, etc.
     - o In total in Integrated Watershed Management project in Dalmiapuram, Tamil Nadu, 475 acres of land was treated benefitting around 1,000 beneficiaries.
     - o Full Implementation Phase of Watershed Project in Kadapa has been approved by NABARD for a period of 3 years, with a project outlay of Rs. 4 Crore.
   - Under the Tribal Development Fund project initiated in Umrongso, plantation of more than 37,400 horticulture plants like pineapple, litchi and guava and fencing plants of lemon undertaken along with plantation of 30 Metric

Tons of turmeric in 200 acres of land. Along with this, 800 contour trenches with a total area of 11,520 m3 were created to aid water harvesting. This project is benefiting 200 households.

- Under the Gram Parivartan Project, Sendurai, Ariyalur
  - o Desilting of 2 Village Ponds has led to creating water harvesting capacity of 10,500 m3. This will benefit 400 Households and will help in irrigating 90 acres of land.
  - o Renovation of 79 farm ponds undertaken along with promotion of drip irrigation in 58 acres of land.
  - o Saving of Rs.7 Lakh for farmers by using organic fertilizer, Panchkavya on 165 acres of land.
  - o 46 Joint Liability Groups, 135 Self Help Groups and 21 Farmer Clubs formed.
  - o 1094 Beneficiaries benefitted under Government's Sustainable Dry land Mission by receiving Rs.15 Lakh subsidy for cultivating 1094 acres of land.
  - o Azolla cultivation by more than 4,000 farmers has helped in increase in monthly income of Rs.16 Lakh.
- Chirawa Water Conservation Project
  - o 246 rainwater harvesting tanks and 14 recharge wells constructed creating water harvesting capacity of 20,000 m3.
  - o 106 Toilets and 134 soak pits constructed
- 76 Farm Ponds dug creating an additional water harvesting capacity of 0.96 lakh m3.
- Drip Irrigation was implemented in 670 acres of land, benefiting 1,400 villagers in south locations.
- A Village Pond was constructed in Nawabpet village and will create additional water harvesting capacity of 18,000 m3.
- Deepening of Manodai Lake in Dalmiapuram was undertaken, creating an additional water harvesting capacity of 18,000 m3. The initiative will benefit 2,300 farmers who will be able to use the water for Paddy cultivation.
- To promote System of Rice Intensification, Lanka, farmer meetings were organized in 4 villages on 2 days for encouraging farmers to adopt System of Rice Intensification process with participation of 50 farmers.

2. Energy conservation and Climate Change Mitigation

Energy is another major concern in rural India, with majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities is another focus area of Dalmia Bharat Limited. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting fuel-efficient cook stoves, Liquified Petroleum Gas connections, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

- With the cumulative effort of our initiatives in this focus area, we were able to convert
  - o 44 villages to Clean Cooking Villages, and
  - o 43 villages to Clean Lighting Villages.
- 2300 households lit up with Clean Lighting Solutions – Solar Lanterns. Study lamps and Home lighting solutions
- 20 Solar Street Lights installed in Palinganatham Village, Ariyalur benefitting nearly 2500 villagers.
- This year, we partnered with the Ujjwala Scheme of Government of India to promote Liquified Petroleum Gas Connections among beneficiaries.
- Along with that, we also promoted 500 fuel efficient cook stoves.
- 9 solar powered e-shalas were established with a beneficiary reach of over 1500.

3. Livelihood Skill Training

Unemployment amongst the rural youth is significantly high and substantiate number of them are just employed seasonally. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in areas like Stitching, Tailoring, Food processing, Computer education and many other. We have also set up DIKSHA (Dalmia Institute of Knowledge and Skill Harnessing) Centres in partnership with National Skill Development Corporation. This centre is running at Belgaum and Trichy.

- Dalmia Institute of Knowledge and Skill Harnessing Centres – 122 trainees passed from 2 centres in this year
- Trichy - 48 passed (22 Sewing Machine Operator & 26 Home Health Aid)
- Belgaum – 74 Passed (47 Beauty & Wellness; 15 Sewing Machine Operator and 12 Retail);

- Received sanction letter from National Bank for Agriculture and Rural Development, NABARD for grant of 3.4 lakhs towards 50% of the training cost of 50 trainees in the trade of Sewing Machine Operator and Home Health Aide in Trichy. The trainings have been initiated.
- "World on Wheels" WoW Bus, a digital education platform initiated in partnership with HP reached out with Computer education programmes to more than 345 school children and youth in Kadapa.
- Under the Weaving promotion project in Umrongso, 40 women from Self Help Groups have been producing and selling woven products and are earning Rs.1,500-2,000 per month.
- 3 batches of Computer training covering 64 trainees, in Computer Training Centre, Thangskai, Lumshnong has been completed.
- More than 650 Milch Animal loans facilitated with Rs.162 lakh disbursed by financial institutions.
- The 6 Farmer Producer Companies in South have 2183 shareholders and turnover of nearly 2 crores was achieved through sale of inputs.
- 38 training were organised for Self Help groups on book keeping & livelihood activities.
- 4 tabs were handed over to 4 Self Help Group federations for maintaining their records as per the Monthly Information System, MIS standard of Kadapa District.

4. Social Development

The stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life as well as development of these villages. The company is helping in building the basic infrastructure needs of the community like School Sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and company has pitched in by arranging General as well as Specialized Health Camps, providing medicines, Immunizations, Maternal and Child health Care.

- 234 Individual Sanitary Latrines have been constructed (15 in Ariyalur, 170 in Kadapa, 27 in Dalmiapuram, 75 in Umrongso and 22 in Lumshnong).
- 57 Health Camps were organized across locations benefitting around 25,000 beneficiaries
- 9 Veterinary Camps were organized covering nearly 21,000 milch animals
- 5 schools in Belgaum location covered under Building as Learning Aids initiative
- A School Compound Wall, built in a school in Belgaum with Rs.18 lakhs leveraged from Kopadatti Panchayat
- 9 E-Shala's set up in Belgaum schools benefitting 1,600 children.
- Pilot Waster Management Project Launched in Chinnakomerala Village, Kadapa.
- Refurbishment and painting of 11 anganwadi undertaken.
- Days of National and International importance like Word Environment Day, Independence Day, No Tobacco Day, etc. observed in all locations, with participation of more than 10,000 school children, women, all villagers, panchayat.
- National Bank for Agriculture and Rural Development has chosen Dalmia Bharat Foundation as master trainers for their Jaldhoot Initiative in Andhra Pradesh and Tamil Nadu for creating awareness on water conservation and mapping of water resources. Dalmia Bharat Foundation reached out to 7,000 beneficiaries from 103 villages.

Awards and accolades

Various initiatives of the Company have been recognized over the years for their innovative nature and extraordinary impacts. In the Financial Year 17-18, the Company received following awards in the field of Corporate Social Responsibility:

S. No.	Name of Award / Rating / Certification	Theme of the Award*
1	ET 2 GOOD 4 GOOD: Achieving Distinction in the pillars of Corporate Governance, Strategy, Monitoring & Evaluation, Year 2015-16	Corporate Social Responsibility
2	ET NOW CSR Leadership Awards	Corporate Social responsibility: Water Conservation
3	FICCI Corporate Social Responsibility Award 2016-17	Water Management for Sustainable Livelihood

2. The Composition of the Corporate Social Responsibility Committee.

   Composition of the Corporate Social Responsibility Committee of the Company is:

   1. Mr. V. S. Jain, Chairman, Non-Executive Independent Director

   2. Mrs. Sudha Pillai, Member, Non-Executive Independent Director

   3. Mr. Y. H. Dalmia, Member, Non-Executive Director

   4. Mr. Gautam Dalmia, Member, Executive Director

3. Average net profit of the company for last three financial years – Rs.25.02 Crores

4. Prescribed Corporate Social Responsibility Expenditure (two per cent of the amount as in item 3 above): Rs. 0.50 crore

5. Details of Corporate Social Responsibility spent during the financial year: Rs.1.07 Crore

   (a) Total amount to be spent for the financial year: The Company was required to spent Rs.0.50 Crore, however it has spent Rs.1.07crore.

   (b) Amount unspent, if any): Nil

   (c) Manner in which the amount spent during the financial year is detailed below.
   As per annexure

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.: Not Applicable

7. A responsibility statement of the Corporate Social Responsibility Committee that the implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with Corporate Social Responsibility objectives and Policy of the company.

   The implementation and monitoring of Dalmia Bharat Limited's Corporate Social Responsibility programmes is in compliance with the Corporate Social Responsibility objectives and policy of the company.

	Puneet Yadu Dalmia	**V. S. Jain**
Place : New Delhi	Managing Director & CEO	Chairman of CSR Committee
Date: October 30, 2018	(DIN 00022633)	(DIN 00253196)

Annexure - 4A

₹ in crore

<table>
<tr><th>S. No</th><th>CSR project or activity identified</th><th>Sector in which the project is covered</th><th>Projects or programs
(1) Local area or other
(2) Specify the State and district where projects or Programs was undertaken</th><th>Amount outlay (budget) project or program wise</th><th>Amount spent on the projects or programs
Subheads:
(1) Direct expenditure on projects or programs.
(2) Overheads</th><th>Cumulative expenditure upto the reporting period</th><th>Amount spent: Direct or through implementing agency</th></tr>
<tr><td>1</td><td>Soil and Water Conservation (Check Dams, Drip Irrigation, Village Ponds, Farm Ponds, Ring Wells, Watershed, Irrigation Channels)</td><td><u>Schedule VII / item No IV</u>
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills, District Jhunjhunu; Rajasthan</td><td rowspan="2">0.87</td><td rowspan="2">0.87</td><td rowspan="2">0.87</td><td rowspan="6">Implementing agency - Dalmia Bharat Foundation</td></tr>
<tr><td>2</td><td>Energy Conservation (Bio Gas Plants, Fuel Efficient Cookstoves, Solar products)</td><td><u>Schedule VII / item No IV</u>
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills</td></tr>
<tr><td>3</td><td>Education and Livelihood (Education in schools, DIKSHa Skill Development Centres, Computer Training, Weavers Training, Milch Animal Loans, Livestock Development, etc.)</td><td><u>Schedule VII / item No II</u>
Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills</td><td rowspan="2">0.09</td><td rowspan="2">0.09</td><td rowspan="2">0.09</td></tr>
<tr><td>4</td><td>Women Empowerment (SHG formation and Training)</td><td><u>Schedule VII / item No III</u>
promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon</td></tr>
<tr><td>5</td><td>Health and Sanitation (Health Camps, Low Cost Toilets, School toilet units, Awareness Programs on health issues)</td><td><u>Schedule VII / item No I</u>
Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Nagaon and Dimahasao</td><td rowspan="2">0.11</td><td rowspan="2">0.11</td><td rowspan="2">0.11</td></tr>
<tr><td>6</td><td>Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)</td><td><u>Schedule VII / item No X</u>
Rural development projects</td><td>1. The project was implemented in local area
2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Nagaon and Dimahasao</td></tr>
<tr><td></td><td>Total</td><td></td><td></td><td>1.07</td><td>1.07</td><td>1.07</td><td></td></tr>
</table>

Remarks -

1. The above mentioned expenditures for the year 2017-18 is based out of un-audited statement of expenses.
2. Item no I & X mentioned in serial no 5 & 6 are covered under social development head of CSR.

Annexure - 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   None

2. Details of material contracts or arrangement or transactions at arm's length basis

		2
(a)	Name(s) of the related party and nature of relationship	Dalmia Cement (Bharat) Limited Wholly owned subsidiary Company
(b)	Nature of contracts/ arrangements/ transactions	Receipt of Corporate Service charges
(c)	Duration of the contracts / arrangements/ transactions entered by erstwhile DBL	10 years effective 1-4-2010
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: Rs.92 crore for the financial year ended March 31, 2018..
(e)	Date(s) of approval by the Board, if any:	Approved by Audit Committee /Board of erstwhile Dalmia Bharat Limited 15-11-2010 and 3-2-2016
(f)	Amount paid as advances, if any:	NIL

Place : New Delhi
Date: October 30, 2018

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Annexure - 6

FORM NO MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2018

(Pursuant to Section 204(1) of the Companies Act 2013, and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Odisha Cement Limited.

During the year under review the Company was an unlisted Company and the requirement of Secretarial Audit Report pursuant to section 204(1) of the Companies Act 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) was not applicable to the Company. Pursuant to the effectiveness of the Schemes(s) the erstwhile OCL India Limited ("OCL") and Dalmia Bharat Limited ("DBL"), both are listed Companies have been merged with the Company w.e.f. October 26, 2018 and October 30, 2018 respectively. Hence, Secretarial Audit Report hereunder given is in context of Compliance made by erstwhile "OCL" and "DBL".

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by erstwhile Dalmia Bharat Limited ("DBL") and given the Secretarial Audit Report in MR – 3 on 17.05.18 and Vikas Gera & Associates, Practising Company Secretary (FCS – 5248; CP – 4500) has conducted Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by erstwhile Odisha Cement Limited ("OCL") and given the Secretarial Audit Report in MR – 3 on 18.05.18.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by erstwhile DBL and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and based on the Secretarial Audit Report of erstwhile OCL issued by Vikas Gera & Associates, Practising Company Secretary(FCS – 5248; CP – 4500), I hereby report that in my opinion, erstwhile DBL and OCL has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I and Vikas Gera & Associates, Practising Company Secretary have examined the books, papers, minute books, forms and returns filed and other records maintained by erstwhile DBL and OCL for the financial year ended 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (The Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and the External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) And other applicable laws like Factories Act, 1948, Employees State Insurance Act, 1948, Minimum Wages Act, 1948, The Payment of Gratuity Act, 1972, Workmen Compensation Act, 1923 etc.

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

(1) Secretarial Standards issued by the Institute of Company Secretaries of India.

(2) Listing Agreement entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review erstwhile DBL and OCL have complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above; however one of the statutory form of erstwhile DBL was filed after 30 days but before 300 days with additional fees which can be taken as deemed compliance.

I further report that:

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

Adequate Notice is given to all Directors to schedule the Board meetings and Committee 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. There have been two Board meetings and a Nomination and Remuneration Committee meeting of erstwhile DBL called at a shorter notice for which the mandatory provisions as per the Act and Secretarial Standards as applicable as on date were adhered to. All decisions were passed unanimously.

I further report that there are adequate systems and processes in the erstwhile DBL and OCL commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that the company has given effect the following Schemes of Arrangement and Amalgamation, pursuant to approval by the jurisdictional National Company Law Tribunal ("NCLT") from their respective Appointed Date i.e. January 1, 2015:

a) Scheme of Arrangement and Amalgamation involving Odisha Cement Limited (the Company), OCL India Limited, Dalmia Cement East Limited, Shri Rangam Securities & Holdings Limited and Dalmia Bharat Cement Holdings Limited; and their respective shareholders and creditors;

b) Scheme of Arrangement and Amalgamation involving Odisha Cement Limited (the Company), Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited and their respective shareholders and creditors.

c) On an application by the Company, the Registrar of Companies , Chennai by virtue of section 96(1) read with second proviso attached thereto granted extension of 3 months vide its letter dated September 10, 2018 to hold the Annual General Meeting for the financial year ended March 31, 2018.

R. Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893

Place: New Delhi
Date: 30.10.2018

This report is to be read with my letter of even date which is annexed as Annexure–A and forms an integral part of this report.

ANNEXURE – A

To
The Members
Odisha Cement Limited.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have totally relied on the Secretarial Audit Report issued by Vikas Gera & Associates for erstwhile OCL India Limited and my certificate with respect to Odisha Cement is based solely on his certificate.

R. Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893

Place: New Delhi
Date: 30.10.18

Report on Corporate Governance

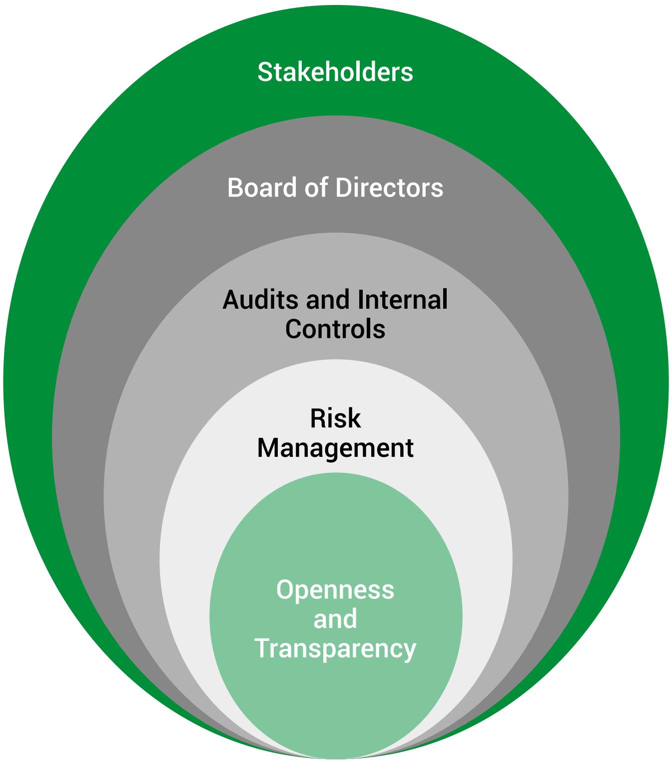
During the year under review the Company was an unlisted company and hence specific compliances relating to Corporate Governance as per SEBI (LODR) Regulation, 2015 ("Regulation") was not applicable to the Company. However, pursuant to the implementation of the Schemes(s) consequent to amalgamation of the erstwhile OCL India Limited ("OCL") and Dalmia Bharat Limited ("DBL"), both listed companies with the Company w.e.f. October 26, 2018 and October 30, 2018 respectively, the SEBI (LODR) Regulations 2015 shall henceforth be applicable to the Company. Accordingly, this Corporate Governance Report is in the context of Company's present status as well as compliances made by the aforesaid "OCL" and "DBL" under the said Regulations.

Company's Philosophy on Corporate Governance

Corporate Governance is all about the role and relationship between a Company and its stakeholders to maximize the value ethically and on a sustainable basis.

The company's philosophy on corporate governance is to conduct business in a fair, transparent and ethical manner and enhancing stakeholder value.

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.



We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimising value for various stakeholders like consumers, shareholders and the society at large.

This chapter along with the chapter on Management Discussion and Analysis reports complies with SEBI (LODR) Regulations.

Board of Directors of the Company

Composition of the Board

During the financial year 2017-18, the Board was comprised of Mr. Amandeep, Mr. Ganesh Jirkuntwar and Mr. Ashwini Kumar Dalmia.

Pursuant to implementation of the Schemes and in terms of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and the Nomination and Remuneration Policy of the Company, the Board has been reconstituted.

The Company's Board comprised of ten members — three Executive Directors, seven Non-Executive Directors of which four are Independent and a Woman Director. Mr. P.K. Khaitan, a Non-Executive Independent Director is the Chairman of the Board of Directors of the Company. The composition of the Board is in conformity with the SEBI (LODR) Regulations.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets at least once a quarter and additional meetings are held, when necessary.

The Board of Directors met five times during the financial year 2017-18 i.e., on May 5, 2017, August 31, 2017, November 7, 2017, February 17, 2018 and March 23, 2018. The maximum gap between any two meetings was less than 120 days.

None of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Member-ships #	Committee Chairman-ships #
		Held	Attended				
Mr. Amandeep*	Non-Executive Non-Independent	5	4	-	5	3	2
Mr. Ganesh Jirkuntwar*	Non-Executive Non-Independent	5	1	Yes	1	-	-
Mr. Ashwini Kumar Dalmia*	Non-Executive Non-Independent	5	5	Yes	1	-	-
Mr. P.K. Khaitan, Chairman	Independent Non-Executive	5	NA	NA	9	6	2
Mr. Jai H. Dalmia	Promoter Non-Executive Non-Independent	5	NA	NA	5	1	-
Mr. Y.H. Dalmia	Promoter Non-Executive Non-Independent	5	NA	NA	2	1	-
Mr. N. Gopalaswamy	Independent Non-Executive	5	NA	NA	5	7	4
Mr. Gautam Dalmia Managing Director	Executive	5	NA	NA	4	2	-
Mr. Puneet Yadu Dalmia Managing Director	Executive	5	NA	NA	1	-	-
Mr. V.S. Jain	Independent Non-Executive	5	NA	NA	4	3	2
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	Executive	5	NA	NA	3	-	-
Mrs. Sudha Pillai	Non-Executive -Independent	5	NA	NA	7	6	1
Mr. Dharmendar Nath Davar	Non-Executive Non-Independent	5	NA	NA	8	8	3

* Mr. Ganesh Jirkuntwar resigned from directorship with effect from October 15, 2018 and Mr. Amandeep & Mr. Ashwini Kumar Dalmia resigned from directorship with effect from October 16, 2018.

@ Other directorships include only the directorship in public limited companies including this entity.

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

NA- Not Applicable as appointment effective from October 15, 2018 and October 30, 2018.

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

The appointments of Mr. Puneet Yadu Dalmia and Mr. Gautam Dalmia as Managing Director(s) and Mr. Jayesh Doshi as Whole-time Director are for a period of 5 years and 3 years respectively, effective from October 30, 2018 subject to the approval of shareholders in the ensuing Annual General Meeting of the Company. As per the terms of the appointment of Managing Director(s), the appointment may be terminated by either party by giving three months' notice and in the case of Whole-time Director by giving six months' notice. There is no provision for severance fee in case of termination.

Remuneration of Directors

Before implementation of the Scheme(s) there was no Managing Director and Whole-time Director in the Company. There were only three Non-Executive Directors in the Company who did not draw any remuneration from the Company.

Shares and Convertible Instruments held by Non-Executive Directors

Table 1A: Gives details of the equity shares of the Company held by the Non-Executive Director(s) of the Company.

Name of the Non-Executive Directors	Erstwhile "DBL"	Erstwhile "OCL"	Number of shares held in the Company	Number of convertible instruments held
Mr. P.K. Khaitan	Nil	Nil	Nil	Nil
Mr. N. Gopalaswamy	Nil	Nil	Nil	Nil
Mr. Jai H. Dalmia	16,35,010	Nil	32,70,020	Nil
Mr. Yadu Hari Dalmia	Nil	Nil	Nil	Nil
Mr. V.S. Jain	Nil	Nil	Nil	Nil
Mrs. Sudha Pillai	Nil	Nil	Nil	Nil
Mr. Dharmendar Nath Davar	Nil	1,500	1,500	Nil

Before implementation of Scheme(s), the Company being an unlisted Company, specific requirements of Corporate Governance as per SEBI (LODR) Regulation, 2015 ("Regulation") was not applicable to the Company. Presently the Company fulfil all the Compliances of SEBI (LODR) Regulations as mentioned below:

Code of Conduct of the Company

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

Committees of the Board of Directors of the Company

The Company has six (6) Board level Committees- Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility, Risk Management and Group Governance Committee. During the financial year meeting of none of the committees were held as these all are constituted on October 15, 2018 except Group Governance Committee which was constituted on October 30, 2018.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members is taken by the Board of Directors. Details on the role and composition of these Committees are provided below:

a) Audit Committee

The Company has constituted Audit Committee on October 15, 2018. The Audit Committee comprises of qualified and independent members of the Board, who have expertise, knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The present composition of the Audit Committee is as follows:

S.No	Name	Status	Category
1	Mr. N. Gopalaswamy	Chairman	Non-Executive and Independent Director
2	Mr. P.K. Khaitan	Member	Non-Executive and Independent Director
3	Mr. V.S. Jain	Member	Non-Executive and Independent Director

The Audit Committee is empowered and authorized, inter-alia, to do all such acts, deeds and things and to perform all such duties as may be required under the Companies Act, 2013 and rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, as may be amended / modified from time to time, and such other matters as may be referred to the Audit Committee from time to time, including but not limited to:

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- Examination of the financial statement and the Auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the

Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- o Changes, if any, in accounting policies and practices and reasons for the same;
- o Major accounting entries involving estimates based on the exercise of judgment by management;
- o Significant adjustments made in the financial statements arising out of audit findings;
- o Compliance with listing and other legal requirements relating to financial statements;
- o Disclosure of any related party transactions; and
- o Modified opinion(s) in the draft audit report.

- ► Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ► Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ► Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ► Approval or any subsequent modification of transactions of the company with related parties;
- ► Scrutiny of inter-corporate loans and investments;
- ► Valuation of undertakings or assets of the company, wherever it is necessary;
- ► Evaluation of internal financial controls and risk management systems;
- ► Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ► Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ► Discussion with internal auditors of any significant findings and follow up there on;
- ► Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- ► Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ► Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ► Review the functioning of the Whistle Blower mechanism;
- ► Approval of appointment of Chief Financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ► Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- ► Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- ► Review of the following information:
  - o Management discussion and analysis of financial condition and results of operations;
  - o Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - o Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - o Internal audit reports relating to internal control weaknesses; and
  - o Appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
  - o Statement of deviations:
    - I) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    - II) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

b) Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee on October 15, 2018. The constitution, composition and functioning of the Nomination and Remuneration

Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The present composition of the Committee is as follows:

S.No	Name	Status	Category
1	Mr. N. Gopalaswamy	Chairman	Non-Executive and Independent Director
2	Mr. P.K. Khaitan	Member	Non-Executive and Independent Director
3	Mr. V.S. Jain	Member	Non-Executive and Independent Director
4	Mrs. Sudha Pillai	Member	Non-Executive and Independent Director

The Nomination and Remuneration Committee is empowered and authorized, inter-alia, to do all such acts, deeds and things and to perform all such duties as may be required under the Companies Act, 2013 and rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, as may be amended / modified from time to time, and such other matters as may be referred to the Nomination and Remuneration Committee from time to time, including but not limited to:

i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii) devising a policy on diversity of board of directors;

iii) to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

iv) formulation of criteria for evaluation of performance of independent directors and the board of directors;

v) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

c) Stakeholders' Relationship Committee

The Company has constituted Stakeholders Relationship Committee on October 15, 2018. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders. The present composition of the Committee is as follows:

S.No	Name	Status	Category
1	Mr. V.S. Jain	Chairman	Non-Executive and Independent Director
2	Mr. N. Gopalaswamy	Member	Non-Executive and Independent Director
3	Mr. Y.H. Dalmia	Member	Non-Executive Director
4	Mr. Gautam Dalmia	Member	Executive Director

The role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(2) Review of measures taken for effective exercise of voting rights by shareholders;

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

d) Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee on October 15, 2018 as required under Section 135 of the Companies Act, 2013 and rules framed there under. Presently the "Corporate Social Responsibility Committee" comprises following qualified Independent and Non-Independent Directors being a member of the Committee. The present composition of the Committee is as follows:

S.No	Name	Status	Category
1	Mr. V.S. Jain	Chairman	Non-Executive and Independent Director
2	Mrs. Sudha Pillai	Member	Non-Executive and Independent Director
3	Mr. Y.H. Dalmia	Member	Non-Executive Director
4	Mr. Gautam Dalmia	Member	Executive Director

e) Risk Management Committee

The Company has constituted Risk Management Committee on October 15, 2018 as required under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018. The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit. Presently the Committee comprises following qualified Independent and Non-Independent Directors being a member of the Committee. The present composition of the Committee is as follows

S.No	Name	Status	Category
1	Mr. V.S. Jain	Chairman	Non-Executive and Independent Director
2	Mr. N. Gopalaswamy	Member	Non-Executive and Independent Director
3	Mr. Gautam Dalmia	Member	Executive Director

f) Group Governance Committee

The Company has constituted Group Governance Committee on October 30, 2018 as required in terms of SEBI circular number SEBI/HO/CFD/CMD/CIR/P/ 2018/79 dated May 10, 2018. The present composition of the Committee is as follows:

S.No	Name	Status	Category
1	Mr. V.S. Jain	Chairman	Non-Executive and Independent Director
2	Mr. P.K. Khaitan	Member	Non-Executive and Independent Director
3	Mr. N. Gopalaswamy	Member	Non-Executive and Independent Director

Subsidiary Companies

Before implementation of the Scheme(s) the Company was the subsidiary of erstwhile OCL and step down subsidiary of erstwhile DBL. Presently, the Company has 28 subsidiaries including material subsidiary as defined under regulation 16 of the SEBI (LODR) Regulations, 2018 that defines a "material subsidiary" as a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As mandated by Regulation 46 of the SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on http://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf. The Company has a 'material unlisted subsidiary', namely, Dalmia Cement (Bharat) Limited. Mr. N. Gopalaswamy, an Independent Non-Executive Director is also a member on the Board of Directors of this subsidiary.

During the financial year 17-18 erstwhile "DBL" and "OCL" {since amalgamated with the Company on implementation of the Scheme(s)} were the listed Companies and both fulfilled all the compliances of SEBI (LODR) Regulations relating to the Corporate Governance matters. Below are the compliances done by both the erstwhile "DBL" and "OCL" during the year under review-

Board of Directors

Composition of the Board of erstwhile DBL

As on March 31, 2018 the DBL's Board comprised of nine members — three Executive Directors, six Non-executive Directors of which three are Independent and a Woman Director. Mr. P.K. Khaitan, a Non-executive Independent Director is the Chairman of the Board of Directors of DBL. The composition of the Board is in conformity with the SEBI (LODR) Regulations.

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

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings were generally held at the corporate office. The Board met atleast once a quarter and additional meetings were held, when necessary. Committees of the Board usually meet the day before the formal Board meeting or whenever the need arises for transacting any business. The recommendations of the Committee were placed before the Board for necessary approval.

The Board of Directors met six times during the financial year 2017-18 i.e., on April 20, 2017, May 10, 2017, August 5, 2017, November 7, 2017, February 7, 2018 and March 15, 2018. The maximum gap between any two meetings was less than 120 days.

None of the Directors were members of more than ten Board level Committees nor were they Chairman of more than five Committees in which they were members. Table 1B gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships.

Table 1B: Composition of the Board of Directors of erstwhile DBL

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Member-ships #	Committee Chairman-ships #
		Held	Attended				
Mr. P.K. Khaitan, Chairman	Independent Non-Executive	6	3	No	10	6	2
Mr. Jai H. Dalmia Managing Director	Promoter-Executive	6	3	No	6	1	-
Mr. Y.H. Dalmia Managing Director	Promoter-Executive	6	5	No	3	2	-
Mr. N. Gopalaswamy	Independent Non-Executive	6	6	Yes	8	9	2
Mr. Gautam Dalmia	Non-Executive Non-Independent	6	4	No	5	2	-
Mr. Puneet Yadu Dalmia	Non-Executive Non-Independent	6	4	No	4	1	-
Mr. V.S. Jain	Independent Non-Executive	6	5	No	4	3	1
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	Executive	6	6	No	4	1	-
Mrs. Sudha Pillai	Non-Executive Non-Independent	6	6	No	8	7	1

@ Other directorships include only the directorship in public limited companies.

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

Composition of the Board of erstwhile "OCL"

As on March 31, 2018 the erstwhile OCL's Board comprised of ten members – three Executive Directors, seven Non-Executive Directors of which four are Independent Directors. Mr. Pradip Kumar Khaitan, a Non-Executive Independent Director is the Chairman of the Board of Directors of erstwhile OCL. Mrs. Sudha Pillai is the Woman Director. None of the Directors are related inter se except that fathers of Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia are brothers. The composition of the Board is in conformity with SEBI (LODR) Regulations.

Board meetings, attendance of directors and other directorships held by them

The Board meetings are generally held at the Corporate Office. The Board meets atleast once in a quarter and additional meetings are held, when necessary. The agenda, explanatory notes and related papers are circulated at least seven days prior to the date of the Board meeting for consideration by the Board. Adequate information was circulated as part of the agenda papers and also placed at the table to enable the Board to take informed decision(s). The Board periodically reviews the compliance of all applicable laws by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. Committees of the Board usually meet the day before the Board meeting or whenever the need arises for transacting the business. The recommendations of the Committees are placed before the Board for necessary approval.

The Board of Directors of erstwhile OCL met four times during the financial year 2017-18, i.e., on May 10, 2017, August 05, 2017, November 07, 2017 and February 07, 2018. The maximum gap between any two meetings was less than one hundred and twenty days.

None of the Directors were members of more than ten Board level Committees nor were they Chairman of more than five Committees in which they were members. The below Table no 1C gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships.

Table 1C: Composition of the Board of Directors of erstwhile OCL

Name of the Directors	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships		
		No. of Board Meetings Attended	AGM	Other Directorships	Committee Member-ships	Committee Chairman-ships
Mr. Pradip Kumar Khaitan, Chairman	Independent Non-Executive	4	No	10	6	2
Mr. Gaurav Dalmia, Non-Executive Vice Chairman	Non - Independent Non-Executive	3	No	5	2	1
Mr. Gautam Dalmia, Non-Executive Vice Chairman	Promoter Non - Independent Non-Executive	4	No	5	2	0
Mr. Puneet Yadu Dalmia, Managing Director	Promoter Non - Independent Executive	3	No	4	1	0
Mr. D. N. Davar	Independent Non-Executive	4	No	9	8	4
Mr. V. P. Sood	Independent Non-Executive	4	Yes	1	0	0
Mrs. Sudha Pillai	Independent Non-Executive	4	No	8	7	1
Mr. Jayesh Doshi	Non - Independent Non-Executive	4	No	4	1	0
Mr. Mahendra Singhi CEO & Whole Time Director	Non - Independent Executive	4	No	3	0	0
Mr. Amandeep Whole Time Director & CEO (Cement Division)	Non - Independent Executive	4	Yes	6	3	2

Notes:

a. Other directorships include only the directorships in public limited companies including this entity.

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

c. Mr. Mahendra Singhi, Mr. V.P Sood and Mr. D.N. Davar holds 5000, 4500 and 1500 equity shares, respectively.

Familiarization Programme for Independent Directors

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at https://www.dalmiabhabharat.com

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

- In the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- are or were not promoters of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- are not related to promoters or directors in the company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, have or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of their relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- neither himself nor any of his relatives —
  - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately

preceding the financial year in which he is proposed to be appointed, of —

A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

iii) holds together with his relatives two per cent or more of the total voting power of the company; or

iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

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

- is not a non-independent director of another company on the Board of which any non-independent director of the company is an independent director.

Information Supplied to the Board

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

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

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company for further strengthening the systems adopted to ensure compliance of all applicable laws.

Remuneration details

Erstwhile DBL has two Managing Directors, one Whole time Director and six Non-Executive Directors and Erstwhile OCL has one Managing Director, two Whole time Directors and seven Non-Executive Directors on its Board, who were eligible to draw remuneration as decided by Nomination and Remuneration Committee constituted by the Board of Directors on approval of the Shareholder in case of Executive Directors. The details of remuneration paid, during the year, to the Executive Directors and Non-Executive Directors is presented in Table 2 and 3.

Table 2: Details of remuneration paid to the Directors of Erstwhile "DBL" for 2017-18

(Rs. crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Independent Non-Executive	0.05	---	---	0.17	0.22
Mr. Jai H. Dalmia	Executive	—	4.80	0.17	__	4.97#
Mr. Y.H. Dalmia	Executive	—	6.52	0.30	__	6.82#
Mr. N. Gopalaswamy	Independent Non-Executive	0.09	---	---	0.11	0.20
Mr. Gautam Dalmia	Non-Executive	0.04	---	---	---	0.04
Mr. Puneet Yadu Dalmia	Non-Executive	0.03	---	---	---	0.03
Mr. V.S. Jain	Independent Non-Executive	0.09	---	---	0.14	0.23
Mrs. Sudha Pillai	Non-Executive	0.05	---	---	0.11	0.16
Mr. Jayesh Doshi	Executive	---	5.32	0.08	---	5.40*

@ Commission paid on net profit

*includes perquisites value of ESOP amounting to Rs. 2.52 crore

Application(s) filed by erstwhile DBL for payment of remuneration with the Central Government was closed/disposed off by Central Government since as per amendment in section 197 of the Companies Act,2013, those applications get abated.

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

Mr Jayesh Doshi, Whole-time Director and Chief Financial Officer, has been granted 75,000 stock options of erstwhile DBL as per the details given hereunder, except Mr. Jayesh Doshi, no other Director of the Company has been granted any stock options:

1. 60,000 options granted on January 29, 2015 at a price of Rs. 217.23/- per share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

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

Out of the above stock options, Mr. Jayesh Doshi exercised 6,000 stock options during the financial year 2016-17 and 9,000 stock options during the financial year 2017-18.

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

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

Out of the above stock options, Mr. Jayesh Doshi exercised 1,500 stock options during the financial year 2017-18.

Post implementation of the Scheme(s), Mr. Jayesh Doshi will be entitled to two options of equity shares under the ESOP Scheme of the company against each option he hold in ESOP scheme of erstwhile DBL.

Table 3: Details of remuneration paid to the Directors of Erstwhile "OCL" for 2017-18

(Rs. crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Independent Non-Executive	0.04	---	---	0.23	0.27
Mr. Gaurav Dalmia	Non-Executive	0.02	---	---	0.11	0.13
Mr. V.P. Sood	Independent Non-Executive	0.10	---	---	0.11	0.21
Mr. Gautam Dalmia	Non-Executive	0.05	---	---	---	0.05
Mr. Mahendra Singhi	Executive	---	---	---	---	---
Mr. Puneet Yadu Dalmia	Executive	---	10.00	1.21	6.41	17.62
Mr. Amandeep	Executive	---	2.44	0.13	---	2.57
Mrs. Sudha Pillai	Independent Non-Executive	0.07	---	---	0.11	0.18
Mr. Jayesh Doshi	Non-Executive	0.04	---	---	---	0.04
Mr. D. N. Davar	Independent Non-Executive	0.10	---	---	0.20	0.30

During the year, erstwhile OCL had paid Rs 31.42 Lacs as professional fees to M/s Khaitan & Co., LLP, a firm in which Mr. Pradip Kumar Khaitan, Chairman of the Company, is a partner.

Committees of Board of Directors of erstwhile "DBL" and "OCL"

a) Audit Committee

In erstwhile DBL and OCL (since amalgamated with the Company) four [4] Audit Committee Meetings were held during the year 2017-2018. The dates on which the Audit Committee Meetings were held for both the companies during the financial year 2017-18 were: May 9, 2017, August 4, 2017, November 6, 2017 and February 6, 2018.

The maximum time gap between two meetings was not more than 120 days.

The Statutory Auditors, Internal Auditors of erstwhile DBL & OCL, Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters.

The Company Secretary acted as Secretary to the Committee.

The particulars of attendance of the members of erstwhile DBL and OCL in the Meetings of this Committee are given in Table 4 and 5 hereunder:

Table 4: Attendance record of the Audit cum Risk Management Committee of erstwhile DBL during 2017-18

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

Table 5: Attendance record of Audit Committee of erstwhile OCL during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. D. N. Davar	Independent	Chairman	4	4
Mr. V. P. Sood	Independent	Member	4	4
Mrs. Sudha Pillai	Independent	Member	4	4
Mr. Mahendra Singhi	Executive	Member	4	4

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

The officer responsible for the finance function, the head of internal audit and the representative of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee of erstwhile "DBL" and "OCL".

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee of erstwhile DBL attended the Annual General Meeting of erstwhile DBL held on September 20, 2017. The Chairman of the Audit Committee of erstwhile OCL could not attend the Annual General Meeting of the Company held on September 19, 2017 due to health issues. However, he authorised Mr. V. P. Sood, member of Audit Committee to attend the Annual General Meeting on his behalf.

b) Nomination and Remuneration Committee

In erstwhile DBL four [4] Nomination & Remuneration Committee Meetings were held during the financial year 2017-2018. The dates on which the Committee Meetings were held are: May 9, 2017, November 7, 2017, December 11, 2017 and February 7, 2018 and in erstwhile OCL three [3] Nomination & Remuneration Committee Meetings were held during the year 2017-2018. The dates on which the Committee Meetings were held are May 09, 2017, December 06, 2017 and February 07, 2018.

The Company Secretary acted as Secretary to the Committee.

Mr. N. Gopalaswamy, Chairman of Nomination & Remuneration Committee of erstwhile DBL and Mr. V.P. Sood, member of Nomination & Remuneration Committee of erstwhile OCL, attended the last Annual General Meeting of erstwhile DBL and OCL held on September 20 and September 19, 2017 respectively.

The particulars of attendance of the members of erstwhile DBL and OCL in the Meetings of this Committee are given in Table 6 and 7 hereunder:

Table 6: Attendance record of the Nomination and Remuneration Committee of erstwhile DBL during 2017-18

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

Table 7: Attendance record of the Nomination and Remuneration Committee of erstwhile OCL during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. D. N. Davar	Independent	Chairman	3	3
Mr. V. P. Sood	Independent	Member	3	2
Mr. Gautam Dalmia	Promoter	Member	3	3

c) Stakeholders' Relationship Committee

In erstwhile DBL four [4] meetings were held during the year 2017-2018. The dates on which the Committee Meetings were held during the financial year 2017-18 were: May 9, 2017, August 4, 2017, November 6, 2017 and February 6, 2018 and in erstwhile OCL two [2] Stakeholders' Relationship Committee Meetings were held during the year 2017-2018. The dates on which the Committee Meetings were held are May 09, 2017 and February 07, 2018.

The Company Secretary acted as Secretary to the Committee.

Mr. N. Gopalaswamy, Chairman of Stakeholders' Relationship Committee of erstwhile DBL and Mr. V.P. Sood, member of Stakeholders' Relationship Committee of erstwhile OCL, attended the last Annual General Meeting of erstwhile DBL and OCL held on September 20 and September 19, 2017 respectively.

The particulars of attendance of the members of erstwhile DBL and OCL in the Meetings of this Committee are given in Table 8 and 9 hereunder:

Table 8: Attendance record of the Stakeholders' Relationship Committee of erstwhile DBL during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	4	4
Mr. N. Gopalaswamy	Independent	Member	4	4
Mr. Y.H. Dalmia	Executive	Member	4	3
Mr. Gautam Dalmia	Non-executive	Member	4	3

During the year, 130 complaints were received from investors in erstwhile DBL and all of them were resolved during the year. At the close of the year there were no cases pending in respect of share transfers. Table 8A gives the details:

Table 8A: Nature of complaints received and attended to during 2017-18:

Nature of Complaint	Pending as on April 1 2017	Received during the year	Answered during the year	Pending as on March 31 2018
1. Transfer / Transmission / Duplicate	Nil	24	24	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	95	95	Nil
3. Non-receipt of securities/electronic credits	Nil	Nil	Nil	Nil
4. Non-receipt of Annual Report	Nil	7	7	Nil
5. 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
6. Others	Nil	Nil	Nil	Nil
Total	**Nil**	**130**	**130**	**Nil**

Table 9: Attendance record of the Stakeholders' Relationship Committee of erstwhile OCL during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V. P. Sood	Independent	Chairman	2	2
Mr. Puneet Yadu Dalmia	Promoter	Member	2	2
Mr. Jayesh Doshi	Non- Executive and Non Independent	Member	2	2

During the year, 3 complaints were received from investors in erstwhile OCL and all of them were resolved during the year. At the close of the year there were no cases pending in respect of share transfers. Table 9A gives the details:

Table 9A: Nature of complaints received and attended to during 2017-18:

Nature of Complaint	Pending as on April 01, 2017	Received during the year	Answered during the year	Pending as on March 31, 2018
1. Transfer / Transmission / Duplicate	0	0	0	0
2. Non-receipt of Dividend/ Interest/ Redemption Warrants	0	2	2	0
3. Non-receipt of securities/electronic credits	0	0	0	0
4. Non-receipt of Annual Report	0	0	0	0
5. Others	0	1	1	0
Total	**0**	**3**	**3**	**0**

The Board of Directors has delegated the powers of approving the transfer of shares/debentures to the Company Secretary of the Company.

d) Corporate Social Responsibility Committee

In erstwhile DBL four [4] meetings were held during the year 2017-2018. The dates on which the Committee Meetings were held during the financial year 2017-18 were: May 10, 2017, August 4, 2017, November 6, 2017 and February 6, 2018 and in erstwhile OCL four [4] Corporate Social Responsibility Committee Meetings were held during the year 2017-2018. The dates on which the Committee Meetings were held were May 09, 2017, August 4, 2017, November 6, 2017 and February 6, 2018.

The Company Secretary acted as Secretary to the Committee.

The particulars of attendance of the members of erstwhile DBL and OCL in the Meetings of this Committee are given in Table 10 and 11 hereunder:

Table 10: Attendance record of Corporate Social Responsibility Committee of erstwhile DBL during 2017-18:

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	4	4
Mr. Y.H. Dalmia	Executive	Member	4	4
Mr. Gautam Dalmia	Non-executive	Member	4	4

Table 11: Attendance record of Corporate Social Responsibility Committee of erstwhile OCL during 2017-18:

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V. P. Sood	Independent	Chairman	4	4
Mr. Mahendra Singhi	Executive	Member	4	4
Mr. Gautam Dalmia	Non-Executive	Member	4	0
Mr. Amandeep	Executive	Member	4	3

e) Investment Committee

In erstwhile DBL there was an Investment Committee comprised of Mr. Jai H. Dalmia, Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Puneet Yadu Dalmia, as its members. The Committee was vested with the powers of making investments in securities quoted on the stock exchanges upto a total limit of Rs. 10 crore. The Committee did not meet during the year since no such fresh investment was made during the financial year.

f) Business Responsibility Committee

In erstwhile DBL there was a Business Responsibility Committee comprised of Mrs. Sudha Pillai as its Chairperson, Mr. V.S. Jain, Mr. N. Gopalaswamy and Mr. Jayesh Doshi, as its members. This Committee has formulated and recommended to the Board, a Business Responsibility Policy, and was entrusted to address the stakeholders in connection with business responsibility matters in accordance with such policy. The Committee met once during the financial year 2017-18 i.e. on May 9, 2017 and all the members of the committee have attended the said meeting.

g) Finance Committee

In erstwhile DBL there was a Finance Committee comprised of Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Jayesh Doshi, as its members. The Committee was delegated with the powers to avail of and secure borrowings made/proposed to be made within the overall powers sanctioned by the shareholders. The Committee did not meet during the year.

h) Risk Management Committee

In erstwhile DBL, the Risk Management Committee was dissolved w.e.f. November 7, 2017 and the nomenclature of Audit Committee was changed to Audit cum Risk Management Committee and in erstwhile OCL, Risk Management Committee met once during the financial year 2017-18 i.e. on November 6, 2017, which comprised of three members namely, Mr. D. N. Davar, Independent Director and Chairman of the Committee, Mr. Mahendra Singhi, Chief Executive Officer and Whole Time Director and Mr. Amandeep, Whole Time Director.

Management of the Company

Disclosures

(a) Related party transactions all were entered into in the ordinary course of business have been disclosed in Note No. 33 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended March 31, 2018 that had the possibility of injuring the interests of the Company. The web-link for the Company's policy on Related Party Transactions is https://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf.

(b) Before implementation of the Scheme(s) being an unlisted Company, there is no requirement to comply with the regulatory requirements on capital markets. However, erstwhile OCL and DBL (since amalgamated with the Company) have complied with the regulatory requirements on capital markets and No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.

(c) The Company has framed Whistle Blower policy and Vigil Mechanism on October 15, 2018 and the details of the same are hosted on the web-site of the Company at https://www.dalmiabharat.com. The Company also affirms that all persons have been permitted to access the Audit Committee.

(d) Before implementation of the Scheme(s) being an unlisted Company, there is no requirement to comply with SEBI (LODR) Regulations, 2015. However, erstwhile OCL and DBL had complied with the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.

(e) Before implementation of the Scheme(s) being an unlisted Company, there is no requirement to comply the requirements as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations. The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the erstwhile OCL and DBL (since amalgamated with the Company).

Disclosure of Accounting Treatment in Preparation of Financial Statements of the Company

The Company has followed the guidelines of Ind AS specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

Code for Prevention of Insider-Trading Practices of the Company

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

CEO/ CFO certification

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

Shareholders of the Company

Means of Communication

Before implementation of the Scheme(s) and being an unlisted Company, there is no need to publish quarterly or yearly financial results by the Company and also not required to inform the Stock Exchanges about any information/ communication. However, erstwhile DBL and OCL being listed Companies have communicated as under:

- approved and taken on record the unaudited/audited financial results in the format prescribed by the Stock Exchanges within 45 days of the close of every quarter.
- Results were published in financial newspapers, viz., Business Standard /Financial Express /Economic Times and one Regional Newspaper, Dinamani, within the stipulated time.
- the data related to quarterly and annual financial results, compliance with corporate governance, shareholding pattern, registrar & transfer agent, contact information of the designated officials who are responsible for assisting and handling investor grievances etc under the SEBI (LODR) Regulations, 2015., was uploaded to the website of the Stock Exchanges and erstwhile DBL and OCL within the time frame prescribed in this regard. All the details required to be forwarded to the Stock Exchanges were being sent from time to time. Investors presentations have been displayed at the web-site www.dalmiabharat.com.
- The NEAPS is a web based application designed by National Stock Exchange of India Ltd. (NSE) for corporates. The Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures of the erstwhile DBL and OCL were also filed electronically on NEAPS.
- Bombay Stock Exchange Limited (BSE) has also launched a web based system for corporates to make their periodic submission of compliances online. Erstwhile DBL and OCL were also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.
- SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

General Body Meetings

Table 12 gives the details of the last three Annual General Meetings (AGMs).

Table 12: Details of last three AGMs

Financial year	Date	Time	Location
2016-17	September 29, 2017	11.00 a.m.	DALMIAPURAM -621651, LALGUDI TALUK, DIST. TIRUCHIRAPALLI, TAMIL NADU
2015-16	August 19, 2016	10.00 a.m.	AT/PO/PS:- RAJGANGPUR - 770017, DISTRICT SUNDERGARH, ODISHA
2014-15	September 12, 2015	11.00 a.m.	AT/PO/PS:- RAJGANGPUR - 770017, DISTRICT SUNDERGARH, ODISHA

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 13.

Table 13: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
September 29, 2017	AGM	▸ Change in name of the Company from "Odisha Cement Limited" to "OCL India Limited" and alteration in the name clause of the Memorandum of Association. ▸ Change in name of the Company from "OCL India Limited" to "Dalmia Bharat Limited" and alteration in the name clause of the Memorandum of Association. ▸ Alteration in the objects clause of the Memorandum of Association.
August 19, 2016	AGM	▸ Not Applicable
September 12, 2015	AGM	▸ Not Applicable

For Postal Ballot Resolutions

The Company did not pass any special resolution through Postal Ballot during the last year.

E Voting

As on March 31, 2018 the Company was an unlisted company and the number of shareholders prior to implementation of Scheme(s) did not exceed the prescribed limits, therefore section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 was not applicable to the company.

Additional Shareholder Information

Annual General Meeting

Date : December 31, 2018
Time : 10.30 a.m.
Venue : Community Centre Premises,
Dalmiapuram-621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: April 1, 2017 to March 31, 2018

For the year ended March 31, 2019, results will be announced on:

- First quarter: By mid-August, 2018
- Second quarter: By mid-November, 2018
- Third quarter: By mid-February, 2019
- Fourth quarter: By end May, 2019

Book Closure

The Register of Members and Share Transfer Books of the Company were closed from Wednesday, the 26th day of December, 2018 to Monday, the 31st day of December, 2018 (both days inclusive) for the purpose of Annual General Meeting.

Dividend Payment

The Board has recommended payment of final dividend calculated at Rs 1.70 per equity share of face value of Rs. 2/- each @ 85%. Such dividend shall be paid to those shareholders, whose names appear on the Company's Register of Members as on December 25, 2018. The Dividend pay-out is expected to be effected on January 1, 2019 and same will be paid within thirty days from the date of declaration by the shareholders at the Annual General Meeting. Shareholders of erstwhile OCL and DBL (since amalgamated with the Company) who are the shareholders of the Company post implementation of the Scheme(s) will be entitled for the dividend.

Erstwhile OCL has credited all the due amounts of dividend which was remained unclaimed and un-cashed and would also transfer the underlying shares to the demat account to the Investor Education and Protection Fund in compliance with the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund)Rules, 2016. Erstwhile OCL had also published necessary notice in the newspapers inviting attention of the shareholders to the said Rules. After following the said procedure, erstwhile OCL had, on November 30, 2017, transferred 2,65,428 equity shares to IEPF Authority.

Listing

The Equity Shares of the Company are listed on the following Stock Exchanges:

a) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

b) The National Stock Exchange of India Limited,
Exchange Plaza,
5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051

The Company has not issued any debentures. Before merger, the Company was an unlisted entity, however, erstwhile DBL and OCL were listed entity and the equity shares have never been suspended from trading.

Listing fees for the year 2018-19 has been paid to all the Stock Exchanges. The bills for the annual custodial fees to NSDL and CDSL for the year 2018-19 have also been paid.

Stock Codes of the Company:

Bombay Stock Exchange	: Yet to be alloted
National Stock Exchange	: Yet to be alloted
ISIN (for Dematerialised Shares)	: Yet to be alloted

Stock Codes of erstwhile DBL

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

Stock Codes of erstwhile OCL

Bombay Stock Exchange	: 502165
National Stock Exchange	: OCL
ISIN (for Dematerialised Shares)	: INE290B01025

Unclaimed Suspense Account

In terms of SEBI (LODR) Regulations, the erstwhile OCL and DBL have opened demat Unclaimed Suspense account. However, there are no shares in the said account.

Stock Market Data

The tables and charts below sets forth, for the periods indicated, the Closing high and low, volume and total volume of trading activity on the BSE and NSE for the equity shares of the erstwhile DBL and OCL (since amalgamated with the Company).

Table 14: High, lows of erstwhile DBL shares for 2017-18 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2017	2220	1965	2170	2379	1962	2172.25
May, 2017	2624.9	2160	2438.9	2624.45	2156.95	2431.35
June, 2017	2579.55	2346	2466.65	2581.4	2343.95	2469.7
July, 2017	2780.05	2464.05	2661.3	2784.4	2457.05	2659.35
August, 2017	2760	2380	2714.95	2740	2373.4	2713.15
September, 2017	2846.55	2515	2564	2849.7	2505.55	2568.85
October, 2017	3042.8	2592.1	2987.2	3050.05	2587.15	2992.15
November, 2017	3348.95	2880.1	3150.75	3350	2875.8	3153.3
December, 2017	3312	3018	3197.95	3314.8	3017	3208.05
January, 2018	3233.35	2914	2930.45	3,238.00	2,914.00	2935.25
February, 2018	3030.45	2555.1	2629.55	3,045.00	2,528.05	2632.5
March, 2018	2967	2640	2885.35	2,975.00	2,631.25	2874.15

Chart A: The erstwhile DBL Share Performance versus BSE Sensex

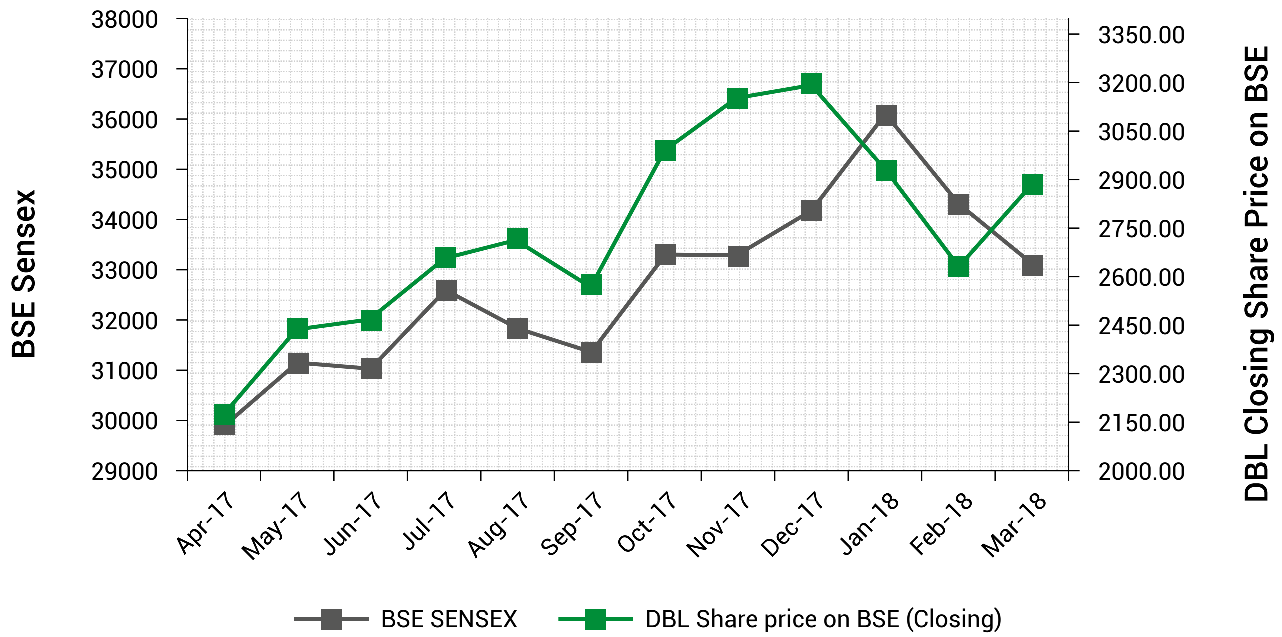
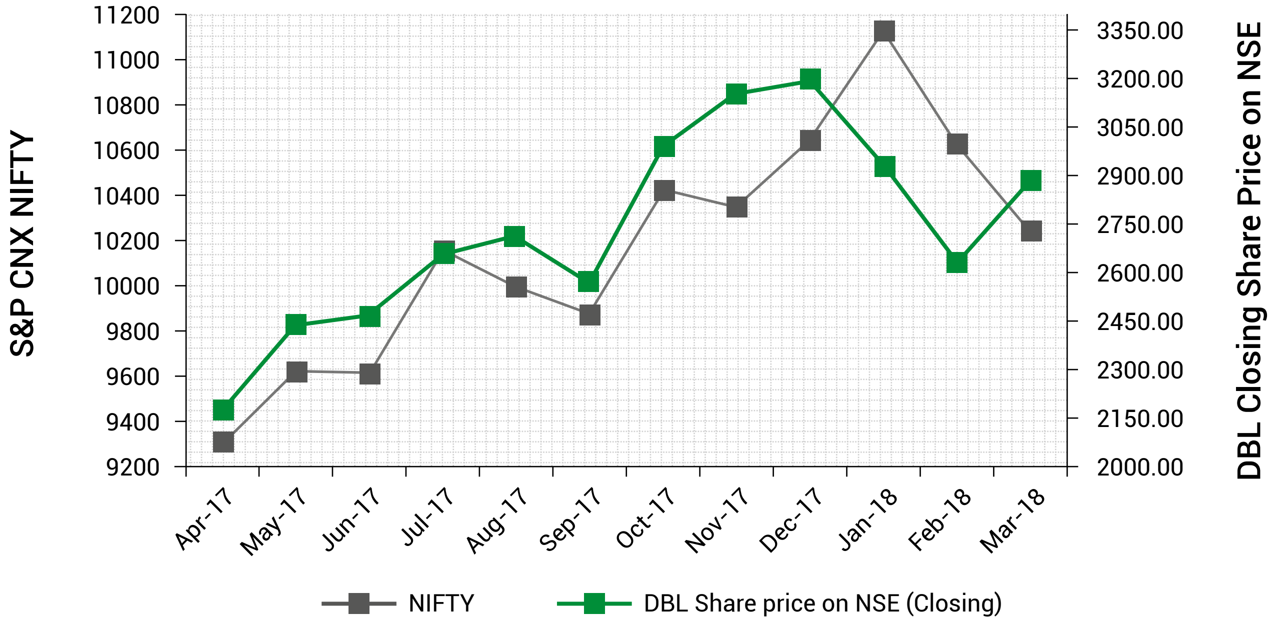


Chart B: The erstwhile DBL Share Performance versus NIFTY



Distribution of Shareholding of erstwhile DBL

Table 15 and 16 lists the distribution of the shareholding of the equity shares of the erstwhile DBL by size and by ownership class as on March 31, 2018.

Table 15: Shareholding pattern by size

Sl. no.	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 – 500	23395	86.81	1889136	2.12
2	501 – 1000	1379	5.12	1021109	1.15
3	1001 – 2000	978	3.63	1448099	1.62
4	2001 - 3000	329	1.22	822440	0.92
5	3001 - 4000	192	0.71	689009	0.77
6	4001 - 5000	109	0.40	492936	0.55
7	5001 - 10000	211	0.78	1461707	1.64
8	10001 and above	356	1.32	81328867	91.22
	TOTAL:	**26920**	**100.00**	**89153303**	**100.00**

Table 16: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	10	0.04	2705743	3.03
Promoters Bodies Corporate	24	0.09	48932820	54.89
Central/State Governments	4	0.01	128155	0.14
Financial Institutions	2	0.01	573259	0.64
Mutual Funds	75	0.28	4522805	5.07
Foreign Institutional Investors	233	0.86	14869723	16.68
Insurance Companies	2	0.01	461294	0.52
Bodies Corporates	765	2.84	3678482	4.13
NRI/Foreign Nationals	833	3.09	408995	0.46
Foreign Bodies Corporates	0	0.00	0	0.00
Individuals/Others	25001	92.77	12872027	14.44
Total	**26949**	**100.00**	**89153303**	**100.00**

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

Table 17: High, lows of erstwhile OCL shares for 2017-18 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2017	1040.00	926.50	1013.25	1041.50	922.00	1012.65
May, 2017	1269.50	1000.00	1181.80	1275.90	996.00	1180.40
June, 2017	1245.00	1134.25	1184.65	1249.00	1131.05	1185.25
July, 2017	1319.40	1171.00	1238.75	1324.00	1165.30	1235.35
August, 2017	1275.00	1094.85	1263.55	1275.00	1095.65	1267.80
September, 2017	1335.00	1186.25	1214.85	1331.00	1183.00	1220.15
October, 2017	1465.00	1207.50	1438.00	1466.00	1202.05	1441.75
November, 2017	1620.00	1403.00	1535.60	1624.00	1401.20	1544.35
December, 2017	1587.25	1433.05	1513.40	1578.70	1450.55	1524.35
January, 2018	1550.00	1341.00	1359.00	1546.80	1336.15	1369.20
February, 2018	1436.65	1169.00	1220.30	1422.95	1184.50	1217.10
March, 2018	1355.85	1219.00	1298.70	1355.00	1201.00	1298.00

Chart A of erstwhile OCL Share Performance versus BSE Sensex

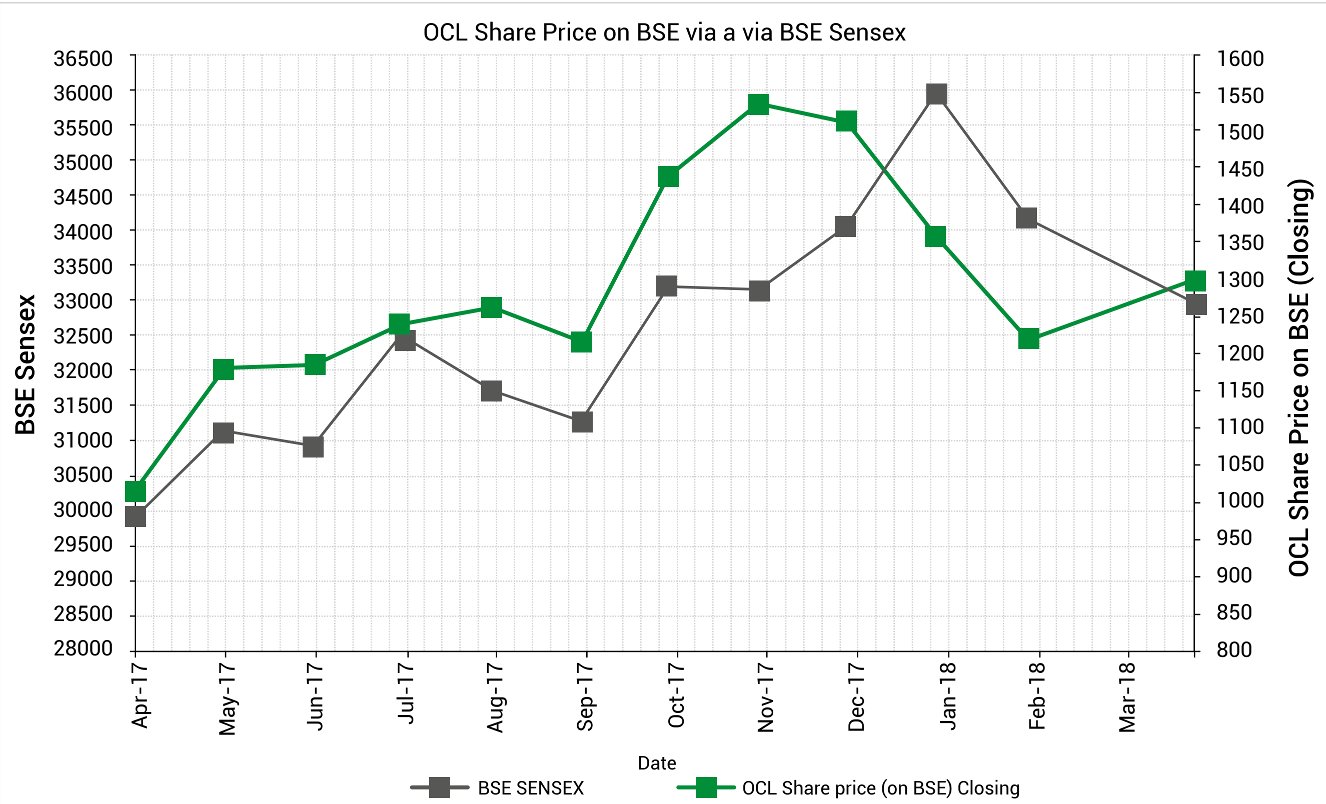
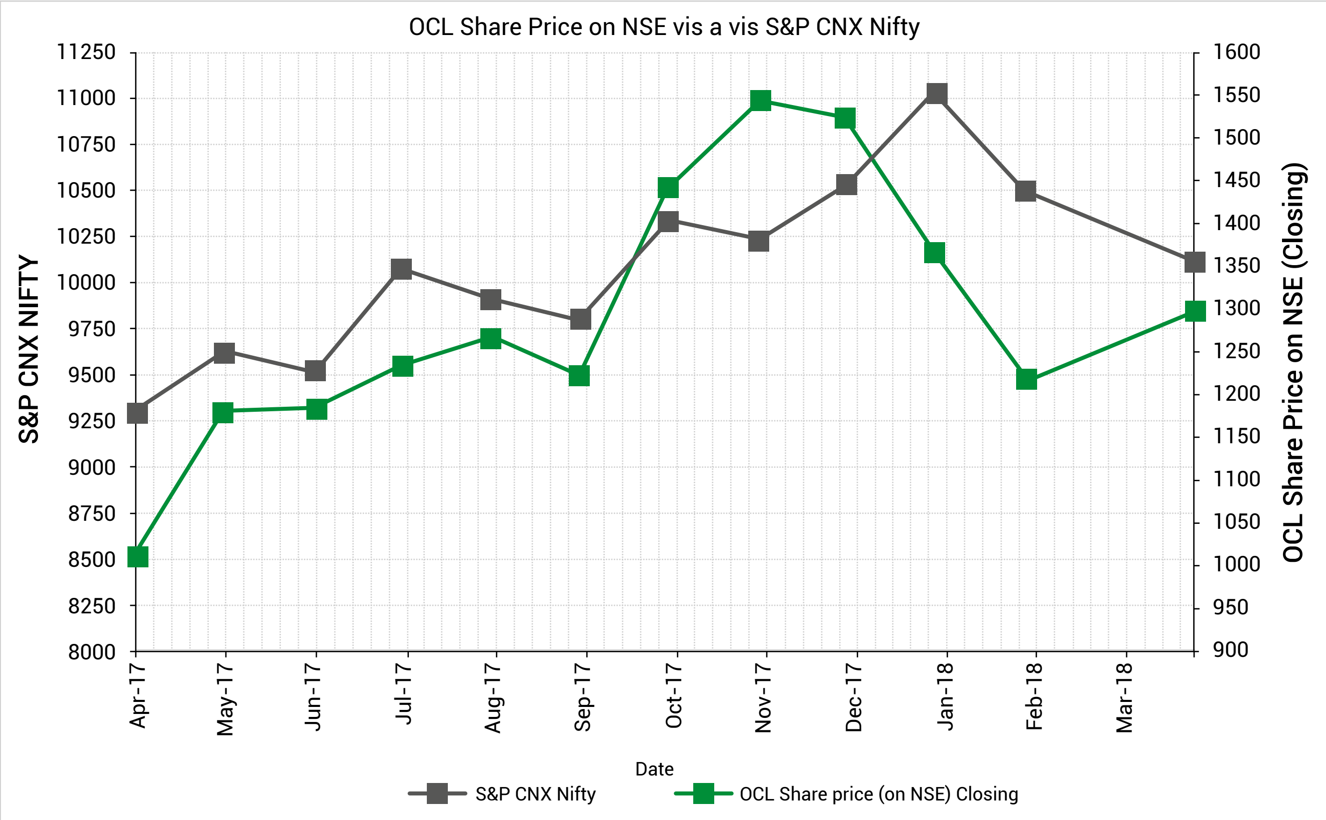


Chart B: The erstwhile OCL Share Performance versus NIFTY



Distribution of Shareholding of erstwhile OCL

Table 18 and 19 lists the distribution of the shareholding of the equity shares of the erstwhile OCL by size and by ownership class as on March 31, 2018

Table 18: Shareholding pattern by size

Sl. no.	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 – 500	8885	81.96	971788	1.71
2	501 -1000	877	8.09	672731	1.18
3	1001 – 2000	547	5.05	786521	1.38
4	2001 – 3000	194	1.79	495413	0.87
5	3001 – 4000	86	0.79	300713	0.53
6	4001 – 5000	58	0.54	262766	0.46
7	5001 – 10000	107	0.99	728161	1.28
8	10001 & above	87	0.80	52682127	92.59
		10841	**100.00**	**56900220**	**100.00**

Table 19: Shareholding Pattern by ownership

Category	No. of Shares		Total No. of Shares	% of Holding
	Physical	Demat		
Promoters & Friends	--	42610522	42610522	74.89
UTI	17500	--	17500	0.03
Mutual Fund	--	1075348	1075348	1.89
Banks	30320	42141	72461	0.13
Financial Institutions/ Insurance Companies	--	--	--	--
Bodies Corporate	12199	6539202	6551401	11.51
Foreign National	--	12240	12240	0.02
Overseas Corporate Body	--	--	--	--
Non Resident	13715	110723	124438	0.22
Directors/Relatives	--	10700	10700	0.02
Clearing Member	--	15000	15000	0.03
Resident Individual	958672	4819139	5777811	10.15
Trust	--	--	--	--
Foreign Portfolio Investor	--	367371	367371	0.64
IEPF	--	265428	265428	0.47
Grand Total	**1032406**	**55867814**	**56900220**	**100.00**

Note: The Promoters have pledged 29019113 equity shares (68.10% of their shareholding) of erstwhile OCL.

Dematerialisation of Shares

As on March 31, 2018, the Company is not listed on any stock exchange. However, erstwhile DBL's shares were in compulsory demat segment and as on March 31, 2018, 97.18% shares of the Company were held in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form and The erstwhile OCL's shares were in compulsory demat segment and as on March 31, 2018, 98.18% shares of the Company were held in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form.

Commodity Price Risk or Foreign Exchange Risk and hedging activities

No hedging activity was undertaken during the year under review.

Outstanding GDRs/ADRs/Warrants/Options

Nil

Details of Public Funding Obtained in the last three years

Nil

Registrar and Transfer Agent

For Equity Shares:
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032.

Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days of receipt of complete documents. The Equity Shares of erstwhile DBL and OCL are tradable in dematerialised form since the date of listing. Under the dematerialised system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialised form. The DP will generate a request for the dematerialisation, which will be sent by him to the Company's Registrars and Share Transfer Agents. On receipt of the same the shares will be dematerialised.

Registered Office Address:

Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)
Dalmiapuram -621651,
Dist. Tiruchirapalli,
Tamil Nadu
Phone: 04329 – 235132
Fax: 04329 235111

Corporate Office/correspondence:

7th, 11th and 12th Floor, Hanasalaya Building, 15,
Barakhamba Road, New Delhi – 110 001

Address for Correspondence

Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)
Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235132
Fax: 04329 235111

Auditors ' Certificate on Corporate Governance

To the Members of
Odisha Cement Limited
Dalmiapuram,
Tiruchirappalli Tamil Nadu – 621 651

1. During the year under review the Company was an unlisted Company and the requirement of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') was not applicable to the Company. Pursuant to the effectiveness of the Schemes(s) the erstwhile OCL India Limited ("OCL") and Dalmia Bharat Limited ("DBL"), both were listed Companies have now been amalgamated with the Company w.e.f. October 26, 2018 and October 30, 2018 respectively effective from appointed date i.e. January 01, 2015(both collectively referred as "Amalgamated Companies") and pending approval u/s 13 of the Companies Act, 2013, the Company shall be renamed as Dalmia Bharat Limited. We have examined the compliance of conditions of Corporate Governance by Amalgamated Companies for the year ended March 31, 2018. This report has been issued as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement entered into by the Amalgamated Companies with the stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Amalgamated Companies /Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The compliance of conditions of Corporate Governance is the responsibility of the Management and board of directors. Our examination was limited to procedures and implementation thereof, adopted by the Amalgamated Companies/ the Company for ensuring the compliance of the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Amalgamated Companies for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Amalgamated Companies .

5. We have examined the books of account and other relevant records and documents maintained by the Amalgamated Companies for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Amalgamated Companies.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Amalgamated Companies have complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to ensure that the Amalgamated Companies have complied with the requirements of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & Co.
Chartered Accountants
FRN - 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: October 30, 2018

CFO-CEO Certification

To
The Board of Directors,
Odisha Cement Limited
Dalmiapuram, Lalgudi
District Tiruchirapalli
Tamil Nadu

Dear Sirs,

I do hereby certify that the all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on October 15, 2018.

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

Place: New Delhi	**Puneet Yadu Dalmia**
Dated: October 30, 2018	Managing Director & Chief Executive Officer

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To
The Board of Directors,
Odisha Cement Limited
Dalmiapuram, Lalgudi
District Tiruchirapalli
Tamil Nadu

Dear Sir(s),

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:-
    a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2018;
    b. that there are no significant changes in accounting policies during the financial year ended March 31, 2018; and
    c. that there are no instances of significant fraud of which we have become aware.

	Jayesh Doshi	**Puneet Yadu Dalmia**
Place: New Delhi	Whole-time Director &	Managing Director &
Dated: October 30, 2018	Chief Financial Officer	Chief Executive Officer

Business Responsibility Report

We, at Dalmia Bharat Group/Group (i.e., the Company alongwith its subsidiaries/step down subsidiaries), believe that unleashing the potential of everyone and everything that we come across while conducting our operations can lead to accelerated value creation. The process of creating sustained value involves developing greener cement to drive the country's growth, providing value added solutions translating into robust construction, enriching shareholders wealth, becoming a people-friendly employer of talent and enhancing community trust. At Dalmia Bharat Group, sustained value creation lies at the core of our business, forming part of our strategies as well as the development of our products. We have long been associated with sustainable development and disclosing issues and initiatives related to economic, environmental, social and governance performance.

Our corporate vision – *"To be a leader in building materials that evokes pride in all stakeholders through customer-centricity, innovation, sustainability and our values"* – is a key differentiator for our organization and integrating this vision into the business model has helped us add value to our Manufactured capital, Social and Relationship capital, Natural capital, Human capital, Intellectual capital and Financial capital.

Our goal is not just to build a great enterprise for our stakeholders, but, more importantly, to participate in building a great future for our country and the world at large. Our strong commitment towards nation building has been realized by the vital role that we played in the construction of the strategic Dhola-Sadiya Bridge which is the longest river bridge in India. The very significant socio-economic impact of this bridge connecting Arunachal Pradesh to Assam is a literal example of our campaign – Dil Jodhe, Desh Jodhe. With a firm belief in 'Green is Profitable' philosophy our approach to business has been inclusive and nurturing towards the people and the community that we operate in and strive to create value for them.

We acknowledge that the path of sustainable development requires commitment, goodwill and passion for which we rely on everyone's help to create and sustain value for the Group as well as all our stakeholders. Sustained value creation is rooted in our core values and we have always attempted to integrate needs of our people, customers, community and the environment into our operating and governance model.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

During the financial year 2017-18, the provisions relating to Business Responsibility Report of the SEBI LODR Regulations were applicable to erstwhile DBL and OCL (since amalgamated with the Company), being one of top 500 companies based on market capitalization calculated as on March 31, 2018. Accordingly, this Business Responsibility Report is in the context of Company's present status and describing the initiatives taken by erstwhile DBL and OCL from environment, social and governance perspective.

<table>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">U14200TN2013PLC112346</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td colspan="4">Odisha Cement Limited
[Pursuant to the restructuring Schemes and upon approval u/s 13 of the Company Act, 2013, the Company shall be renamed as Dalmia Bharat Limited]</td></tr>
<tr><td>3.</td><td>Registered address</td><td colspan="4">Dalmiapuram Lalgudi Taluk-621651, Dist. Triuchirapalli, Tamil Nadu</td></tr>
<tr><td>4.</td><td>Website</td><td colspan="4">www.dalmiabharat.com</td></tr>
<tr><td>5.</td><td>E-mail id</td><td colspan="4">investorrelations@dalmiabharat.com; corp.sec@dalmiabharat.com</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td colspan="4">April 1, 2017 to March 31, 2018</td></tr>
<tr><td rowspan="4">7.</td><td rowspan="4">Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td>Group</td><td>Class</td><td>Sub- class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941 & 23942</td><td>Manufacture of Clinker & Cement</td></tr>
<tr><td>239</td><td>2391</td><td>23911 & 23912</td><td>Manufacture of Refractory</td></tr>
<tr><td>702</td><td>7020</td><td>70200</td><td>Management Consultancy Services</td></tr>
<tr><td>8.</td><td>List three key products/ services that the Company manufactures/provides (as in balance sheet)</td><td colspan="4">i. Cement
• Portland Slag Cement (PSC)
• Portland Pozzolana Cement (PPC)
ii. Refractory
iii. Management Services</td></tr>
</table>

9.	Total number of locations where business activity is undertaken by the Company	(a) Number of international locations (Provide details of major 5) One refractory plant in China of OCL China Limited, a step down subsidiary of the Company. (b) Number of national locations Manufacturing plants at eleven locations in Southern, North Eastern and Eastern regions of India besides corporate office at New Delhi and three regional offices at Chennai, Guwahati and Kolkata.
10.	Markets served by the Company – Local/State/National/ International	Currently, the Group serves markets in twenty- one states in India and various countries including China, Bangladesh, Nepal, Sri Lanka, Myanmar, Bhutan, Italy, Spain, UK, Germany, Turkey and Russia, among others.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ crore)

1.	Paid up Capital (INR)	*Share Suspense Account 6654	*This represents shares pending to be issued pursuant to Scheme on record date which has not yet been declared.
2.	Total Turnover (INR)	216 9106	(standalone) (consolidated)
3.	Total profit after taxes (INR)	72 293	(standalone) (consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR)	1.07 11.79	(standalone) (consolidated)
		(2% of the average net profits of last 3 years)	
5.	List of activities in which expenditure in 4 above has been incurred	The Group spends on varied activities pertaining to CSR in accordance with the Companies Act, 2013. The annual report on CSR detailing the various activities like soil and water conservation, energy conservation, women's empowerment, among others undertaken during the financial year under review is attached as Annexure 4 of the Directors' Report.	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has 28 subsidiaries as on March 31, 2018.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The core philosophy and belief abided by the Group, of which the Company and its subsidiaries are a part, is simple but vital in respecting the environment, operating with a sense of responsibility towards several stakeholders and enhancing intrinsic value of the business, of the people and the country. Accordingly, the business responsibility initiatives are intrinsic to all the subsidiaries of the Company, as far as applicable them. The Board of Directors of the Company in its meeting held on October 30, 2018 has also constituted a Group Governance Committee to monitor the governance of its subsidiaries.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Stakeholder engagement is an important aspect of sustainability and leads to sustained profitability. Our Board, senior management, shareholders, employees and other stakeholders have helped us in conducting our operations in an ethical manner. We make sure that we are in regular touch with all our stakeholders to understand their needs, concerns and are open to their views and suggestions. This enhances informed decision-making and paves way for more effective compliance of business responsibility initiatives. We encourage all the stakeholders to participate in the business responsibility initiatives. However, the participation in percentage terms can not be measured.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

S. No.	Particulars	Details
1.	DIN Number	00017963
2.	Name	Jayesh Doshi
3.	Designation	Whole Time Director & Chief Financial Officer

(b) Details of the BR head

S. No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Dharmender Tuteja
3	Designation	Head Cement Accounts & Commercial
4	Telephone number	011-23465133
5	e-mail id	tuteja.dharmender@dalmiabharat.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, GRI – G4 guidelines and ILO principles, wherever applicable.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	www.dalmiabharat.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been appropriately communicated to all relevant stakeholders directly or indirectly through various engagements, campaigns, training, awareness programmes, as applicable.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of the BR Policy is reviewed/evaluated on a regular basis with a view to strengthen the policy framework. Further evaluation/ audit is done through external agencies, wherever applicable; for example, third party assurance/audit is done on sustainability in accordance with GRI guidelines.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The business responsibility performance of the Company is assessed on a regular basis by the Whole Time Director and Chief Financial Officer of the Company. Overall performance is assessed atleast once in a year by the Board/Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Integrated Report of Dalmia Bharat Group for the period 2015-17 is published in accordance with IIRC, UNGC, Global Reporting Initiatives (GRI) Standards, CSI and SDG and same can be accessed at https://www.dalmiabharat.com/pdf/Dalmia-Sustainability-Report-single-page-version-2910.pdf The Business Responsibility Report of erstwhile DBL and OCL for the financial year ended March 31, 2017, as part of their respective Annual Reports can be viewed at https://www.dalmiabl.com/financial-report-presentation.html and http://www.oclindialtd.in/report_upload/Annual-Report_2017.pdf, respectively.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

At Dalmia Bharat Group, we commit ourselves to achieving the highest standards of ethical and corporate governance and continue to improve compliance with our Code of Business Conduct. We endeavor to enhance our reputation as a responsible and sustainable Group in order to attract as well as retain talents, customers, suppliers, investors and to maintain fulfilling relationships with the communities.

Our core values act as a guiding principle – leading us through the path of growth and development in the most ethical, professional and transparent manner. We practice strict adherence to the laws of the land and believe in proactive risk management and robust internal systems to enable us to continuously monitor, analyze and ensure compliance.

1. *Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?*

   The Group has built its reputation by being compliant and conducting business with integrity and in a fair manner and the policy (ies) is/are framed at Group level. Being a responsible organization we consider it our duty to be compliant with all applicable laws and regulations including those pertaining to environmental, labour, market communications, product liability, health & safety and competition law matters.

   We have adequate control measures in place to address issues related to ethics, bribery and corruption. Dalmia Ethics Helpline is a third party managed service that serves as an avenue for the talents to 'Blow the Whistle' if they come across any unethical or fraudulent activity happening in the organization. Each instance is treated in perfect confidentiality and redressal mechanism is quick.

   We have set correct tone at the top and ensure that anti-corruption is on the agenda of senior executives. We regularly review our existing communication and intervention programmes to help ensure that the desired corporate culture is achieved on the ground, especially in more remote and higher-risk locations. During the reporting period, there were no cases registered with regard to anti-corruption at various units of the Group.

   In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a comprehensive code of conduct. The code lays down guidelines to be followed and disclosures to be made while dealing with the shares of Company and the consequences of violations.

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details there of, in about 50 words or so.*

   During the financial year 2017-18, erstwhile DBL and OCL had in aggregate received twenty two complaints, through the ethics helpline from different stakeholders on issues related to conflict of interest, discrimination, favoritism, misappropriation, misconduct and misuse of authority. All the complaints were reviewed in detail and nineteen out of twenty two (85%) concluded with due diligence in a timely manner.

   Additionally, during the financial year 2017-18, erstwhile DBL and OCL had in aggregate received 133 investors' complaints, which were resolved satisfactorily on time.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

A recent report published by CDP (Erstwhile Carbon Disclosure Project) has ranked the Group number 1 in global cement sector on account of our low carbon footprint cement production and future readiness to a low carbon economy. We produces one of the lowest carbon footprint cement across the globe.

Cement is not a water intensive process as compared to other industries. However, to build trust among local communities and avoid any water related conflict, we have made efforts to become a water positive company since year 2014 through concentrated efforts. As a result, we are nearly three times water positive company.

1. *List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

   We ensures manufacturing of cement through resource efficiency thereby avoiding the natural resources consumption to the maximum possible extent. Waste from other industries form a significant portion of our raw materials and thus helps in reducing the burden on natural resources such as limestone, gypsum and other naturally occurring mineral compounds in up-stream activities in cement production.

   Our products include:

   (i) Portland Slag Cement (PSC)

   (ii) Portland Pozzolana Cement (PPC)

   (iii) Portland Composite Cement (PCC)

   Around 80% of our product portfolio constitutes blended cement. Blended cements use waste materials from other industries such as fly ash of thermal power plants in PPC/PCC and Granulated Blast Furnace Slag (GBFS), a waste product generated by the iron and steel industry, in

PSC/PCC. This not only helps in reducing environmental concerns of cement businesses but also addresses the waste disposal issues of steel and power industries at large.

All our plants are either ISO 14001-certified or in the process of getting this certificate. The environmental aspects and impacts of operations are regularly evaluated and mitigation plans are developed according to the local needs. The overall system is certified by a third party on regular intervals. The Environmental Management System (EMS) has adequate provisions to cover aspects of foreseeable emergency situations, including those that can have an environmental impact. The operational procedure in the system has emergency preparedness and response under operational controls which go to the extent of periodic testing of planned emergency responses. Similar is the case with Occupational Health and Safety Management System that addresses health and safety-related emergency situations. Further, most of our integrated plants and grinding units are certified with Energy Management System (EnMS 50,001). This is an internationally-recognized management system which allows baseline development, selection of energy performance indicators, management review and continual improvement at the systemic level.

Additionally, we have voluntarily subscribed to the Cement Sustainability Initiative Charter which involves specific actions and disclosures in areas of CO2 emission and climate protection; alternative fuel and raw material use, maintaining health and safety, emission reductions; local impacts on land and communities and water; reporting and communications including third party assurance of the non-financial information.

The Group is also a member company of United Nations Global Compact (UNGC) and subscribes to ten principles of global compact on human rights, labour, environment and anticorruption.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional):*

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Construction and building material value chain in India is vast and complex with multiple players from organized and unorganized sector. Hence, it is extremely difficult to provide information with respect to the entire value chain. However, the information with specific reference to our management control is provided in sub-section (b).

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Group continues to strengthen its processes to achieve optimization of resources and reduction of resource use. During the financial year 2017-18, the Group has achieved the following milestones:

- The Group has become a water positive on account of water conservation measures, water recycling and development of rainwater harvesting structures. As on March 31, 2018, we are nearly three times water positive as compared to annual freshwater consumption.
- The specific fuel consumption (MJ/ton of Clinker) has improved from 3185 during financial year 2016-17 to 3156 during financial year 2017-18.
- Specific power consumption improved from 54.4 kWh/ton of Clinker during financial year 2016-17 to 52.6 kWh/ton of Clinker during financial year 2017-18

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)?*

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Under the aegis of Cement Sustainability Initiative (CSI) we have developed certain guidelines for sustainable sourcing. The 'Sustainable Supply Chain Management Guide' for procurement leaders ensure the components of materials and sourcing relationships are understood and that risks in the supply chain have been identified through collaboratively working with suppliers and stakeholders on sustainable sourcing practices. At the same time, considering the nature of construction value chain in India, it would take more time in bringing the unorganized sections of the construction value chain in the mainstream sustainability. The Group consumed about 81% industrial waste origin fuels on heat basis (pet coke plus alternative fuels) and produced nearly 80% blended cement. The alternative raw materials consumption rate for financial year 2017-18 was in the range of 28-30% of the total cement produced during the said period.

4. *Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?*

While delivering across diversified markets, we have optimized sourcing of raw materials and equipment to the advantage of local suppliers. On one hand while it creates ripple economic development in allied sectors on the other it reduces risks associated with globalized sourcing. We support local sourcing of raw materials and engagement of local service providers and community in and around the plant operations.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We actively promote localization of sourcing needs, adherence to national laws and regulations and collaboration with stakeholders towards creating mutually benefitting opportunities.

5. *Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.*

   Co-processing of waste is being done in an environment-friendly manner. This helps us in sustaining our green initiatives and thereby decreasing greenhouse gas emissions. Few initiatives that have been undertaken are:

   - Fly ash generated from the captive power plant is used within the plant for production of PPC and PCC.
   - The plant situated at Ariylaur, Tamil Nadu, is the first plant in India to do trail burn study for co-processing tannery ETP sludge in presence CPCB officials.
   - Waste paper, old newspapers, magazines, cardboard, among others are collected by an authorized recycling agency and points are awarded in lieu of the waste collected. The points are in turn redeemable against recycled stationery products like pens, calendars and writing pads, among others. This drive was initiated in 2014 and is now an ongoing activity to support the Swachh Bharat programme.
   - The Group has recycled around 4364.50 kilograms of paper during the financial year 2017-18, thus, preventing a loss of approximately 86.8 mature trees.
   - The Company follows proper e-waste disposal processes, which have been adopted to support sustainability.
   - We encourage recycling of the wastes generated at our premises and strive to become a zero water discharge facility. The treated water from our effluent treatment plants and sewage treatment plants is used in dust suppression and process use.

Principle 3 – Businesses should promote the wellbeing of all employees.

Our people are the bedrock of our success. As our personal brand ambassadors they represent the Group in the communities in which they live and work and form the back bone of our operational success by delivering benchmark performances. We constantly strive to provide a safe, rewarding and a high-performance environment to our talents. We have zero tolerance towards fatalities and we are committed to reinforcing our safety practices and systems towards our longer term ambition of zero harm.

The entire cement manufacturing process by its very nature can be unsafe, therefore, our goal has always been to minimize the danger as much as possible and ensure that our Human Capital, i.e., our people remain safe at all times. With an aim to 'make our factory an island of prosperity', we constantly work to create better livelihoods for the people who work for us as well as the people who live around us.

We strongly believe that strong, smart and healthy organizations are built by talents who feel valued. Our people are the most valuable asset that have propelled our organization into a successful business entity. Our efforts are centered on synergizing efforts among our workforce and make a meaningful contribution in the lives of people. We foster an environment of communication, fairness, respect, and trust - while creating opportunities for people to grow as talents, and as individuals.

We have fostered a strong culture of performance quality, innovation and lateral thinking. Through continuous learning and development interventions we wish to facilitate talent wellbeing and a pool of qualified professionals to propel the Group through a fast track to growth and prosperity.

1. *Please indicate the total number of employees.*

   The total number of employees working for the Company after giving effect to the Schemes stood at 284 while the total number of employees working for the Group stood at 5836 as on March 31, 2018.

2. *Please indicate the Total number of employees hired on temporary/contractual/casual basis.*

   The employees hired by the Company through contractors on contractual/casual basis from time to time for various types of activities, e.g., project based activities, cleaning, unskilled manual work, etc. stood at 43 as on March 31, 2018.

3. *Please indicate the Number of permanent women employees.*

   As on March 31, 2018, the total number of permanent women employees on the Company's payrolls stood at 56 while the total number of women employees working for the Group stood at 226.

4. *Please indicate the Number of permanent employees with disabilities.*

   As on March 31, 2018, there were two permanent employees with disabilities working for the Company and seven for the Group.

5. *Do you have an employee association that is recognized by management?*

   We respect the right of all talents to form and participate in association(s). We have trade association(s) at the manufacturing unit(s) of the Group to cover talents under collective bargaining. Even though all the units of the Group do not have formal association(s), periodic engagement with the talents is ensured through the Works Committee. Regular meetings are held between the management and the association(s) and suggestions from the employees' representatives are welcomed and it is ensured that they are not subjected to any kind of discrimination.

   We provide ample opportunities to our talents to collaborate among themselves, share among themselves, implement ideas and grow as individuals as well as give back to the community. Through an open and transparent communication, we are able to maintain peaceful and cordial relations with our workforce.

6. *What percentage of your permanent employees is members of this recognized employee association?*

   Around 17% of the permanent employees of the Group are members of such association(s).

7. *Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.*

   No complaint has been received by the Company and / or at the Group level relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year.

8. *What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?*

   We bring Leadership, Learning and Change within the talent and thus within the organization. We identify, at each level, the skills required to move to another critical role, and then the same is imparted. Our human capital provides us with a competitive advantage and hence we strive to acquire the best and further nurture them to grow successfully. While transforming and expanding, we develop the potential of our human capital in order to provide leadership responsibilities and equip our talents with the tools to succeed in a challenging environment. Through learning and development opportunities, we impart to our talents new skills, enhance their expertise and inspire them to excel.

   Our Leadership Learning & Change Institute, NALANDA, is an independent Institute and is headed by a Dean. It is charged with the role of creating new leaders, bringing new learning and acting as change agent in the organization. The Dalmia Technical Institute (DTI) – an arm of Nalanda, is responsible for identifying knowledge gap areas through tools like Performance Management System, 360 Degree reflect and Individual Development Planning; and then formulating customized intervention programs to ensure career progression. One such initiative is 'Lakshya' which ensures that high potential talents are duly recognized and nurtured for higher roles. A productive combination of technical, behavioural and leadership interventions are provided to the talents. We conduct bi-monthly sessions on various topics inter-alia safety, management systems, certifications, total preventive maintenance, values and ethics. During the financial year 2017-18, safety and skill upgradation intervention was imparted by the Company to around 100% of the permanent talents and around 100% of the casual/temporary/contractual talents. Furthermore, around 100% of the permanent women talents and 100% of the talents with disabilities were groomed under the safety and skill upgradation programme of the Company.

   Our talents are our most valuable asset and we are committed to providing them with a safe, healthy and synergistic environment. We believe that a satisfied and motivated talent leads to higher service, quality, and productivity that in turn leads to higher customer satisfaction.

   We thrive to ensure talent well-being and organize regular intervention/awareness sessions on material aspects and occupational health hazards. Transparent and regular communication is the cornerstone of effective talent engagement. Our communication platform 'SPARSH' that enables seamless sharing of best practices and learnings. Quarterly in-house magazine "Pragati" and monthly electronic magazine "Insider" highlights business strategy and sustainability initiatives taken by the organization. Initiatives like Anandam, Saksham and Prerna facilitates better work life balance and wellbeing of our talents.

Principle 4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

As an obligation to our social responsibility, we constantly engage and foster relationships with the communities trying to understand their needs and requirements and formulating best fit solutions for them. Water and energy being two major challenges that the locals face, are among the major areas of focus. We work closely with the communities on water conservation and clean energy. Skilling people for livelihood is another pillar of our Corporate Social Responsibility ("CSR") program. Dalmia Bharat Foundation, a not-for-profit organization, is our CSR program's implementing partner.

1. *Has the company mapped its internal and external stakeholders? Yes/No*

   The Company undertook the stakeholder mapping exercise based on peer review, internal expertise, past experiences, surveys and influence on organization. The major internal and external stakeholders identified were customers, employees, suppliers, local communities, investors, government and regulatory authorities, among others. The Company engages with its stakeholders through various communication channels and ensures that there is a continuous dialogue with them.

2. *Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?*

   Our CSR team, in engagement with various stakeholders and likeminded non-government organizations, educational institutions, research institutions, hospitals, trusts, etc., has identified the community around our plants which is underprivileged. Within the community too, the women, children and youth are more vulnerable lot. We work for the social and economic development of such community through programs specifically designed to fulfill their needs.

3. *Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.*

   All our operational ventures begin with a need assessment and incorporate enhanced cooperation and involvement from the community leaders. Our social initiatives continue to empower the communities through a series of projects on education, employment, housing and infrastructure, community health and environment. These engagements strengthen our social license to operate while addressing the needs of the society.

   We are committed to creating shared value for all our stakeholders. Our CSR team deployed across India engages in real time with the stakeholders towards evaluation and fine tuning the interventions to address the needs of the beneficiaries and the local communities.

   Based on the issues material to the community and the needs assessment, our efforts are primarily centred on four focus areas which are soil and water conservation, energy conservation and climate change mitigation, livelihood skill intervention and social development. We invested a total of Rs. 1.07 crore during the financial year 2017-18 on various CSR interventions.

   The promotion of energy efficient cooking methods and solar lighting particularly benefit the women and children. Women Self Help Groups are promoted wherein they are given skills development trainings such as stitching, weaving, among others, in order to create additional avenues of income generation. Also maternal, neonatal and adolescent health camps are run periodically. For children, many school intervention programs have been implemented and remedial education centres have been established. Construction of individual sanitary latrines on Swachh Bharat Abhiyaan and Swachh Vidyalaya Abhiyaan have also benefitted women and children tremendously. Skill training centres (ITI & DIKSHa) are being run for developing skills and enhancing the employability of the local youth.

Principle 5 – Businesses should respect and promote human rights

1. *Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?*

   At Dalmia Bharat Group, we respect human beings first and thus promote human rights of all our stakeholders within and beyond the boundaries of our business operations. We believe that respectful and productive business dealings can only be achieved through strong organizational values. We avoid complicity with human rights abuse by third parties as well. We are committed to ensuring that all are treated with dignity and respect. The human relations and the legal & compliance department, in collaboration with other functions, ensures that the human rights are upheld and reinforced from time to time at the operational level. We work proactively with our suppliers and other stakeholders within the value chain to ensure that they are aware of and respect the rights of the individuals and communities that we operate in.

   We neither engage in nor support forced labour and it is ensured that all talents work voluntarily. The terms and conditions relating to the engagement are communicated prior to acquisition. As an act to reinforce our commitment towards human rights at the operational level, regular inspections are held at the plant level to ensure non engagement of child labour. To ensure the same, contractual talents are screened and suppliers are encouraged to practice non tolerance towards child labour.

2. *How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?*

   The Company did not receive any complaint during the financial year 2017-18 other than the complaints already reported under Principle no. 1 and 3.

Principle 6 – Business should respect, protect, and make efforts to restore the environment

1. *Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.*

At Dalmia Bharat Group we are committed to preserving the Natural Capital by decarbonising our operations in a way that makes business sense. We aim to further reduce our carbon footprint which is already one of the lowest in the cement industry. By becoming a RE100 member, we have reiterated our long-term ambition to upscale our renewable energy consumption, because we strongly believe that the future of renewable energy is bright and sustainable. After adding 8 MW solar PV capacity for our captive use, we have set an ambitious interim target to increase our percentage of renewable energy consumption four-folds by 2030 compared to 2015 levels. Also, with a commitment to EP100, we are scaling up our ambition to double our energy productivity by the year 2030 from the 2010 baseline. We have taken several steps towards conserving more water than what we consume. To conserve mineral resources, we have adopted the strategy of converting waste to wealth by utilizing waste of other industries as Alternative Fuel and Raw Material (AFR). Our commitment towards a green and clean environment led us to become a member of CSI, signatory to UNGC and Caring for Climate initiative of United Nations. We are also disclosing our performance to Carbon Disclosure Project (CDP). SDGs constitute a bold plan to address socio-economic, environment and societal challenges of our time. The 17 SDG goals and associated 169 targets help us in accelerating and scaling up our sustainability agenda. Through all these partnerships we are able to share the best practices for sustainability.

We are committed to the Sustainable Development Goals. Being one of the greenest cement companies in the world, we are actively working to decarbonize our operations. A participatory approach with the stakeholders ensure that our business model is tuned towards addressing the material aspects on priority. Our collaboration with the industry experts and long term signatory commitments enable us to incorporate best practices and set ourselves superordinate goals for a sustainable future. As much as 80% of our production is blended with either slag (a waste from steel plant) or fly ash (a waste from power plant). We are working towards becoming water positive and also increasing use of renewable energy.

2. *Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N.If yes, please give hyperlink for webpage etc.*

   We, at Dalmia Bharat Group, work persistently to achieve our corporate vision - "To be a leader in building materials that evokes pride in all stakeholders through customer-centricity, innovation, sustainability and our values". With this vision in mind, our constant endeavour is to strengthen our corporate governance and all of our six capitals (Manufactured, Social and Relationship, Natural, Human, Intellectual and Financial capital) in order to deliver the best to our customers. As responsible business units we have intensified our efforts to mitigate climate change by enabling transition to a low carbon economy.

   The Group is ranked at the top in global cement sector in addressing the climate risks and low carbon transition readiness. A recent report published by CDP (erstwhile Carbon Disclosure Project) in 2018 on Global Cement Sector has rated us as No. 1 cement group on addressing the climate risks. The report highlighting analysis of the groups' strategies on climate risk is available at https://6fefcbb86e61af1b2fc4c70d8ead6ced550b4d-987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/003/277/original/Cement_Report_Ex_Summary.pdf?1523261813.

   We envision reforms that would facilitate recycling of concrete and waste utilization as a potential recovery opportunity. We have been interacting with likeminded institutions, nationally or internationally, in this direction. We take pride in being a key contributor to the country's circular economy and achieving water positivity through proactive measures on matters related to resource efficiency, energy and environment. Going forward we wish to continue consolidating our foundations; nurturing relationship with our talents and other stakeholders; reducing impact on the environment and pursuing research and development to meet the needs of future India.

   Our journey of 68 years have been built on trust, leadership and exceptional client service. Addressing the needs of our consumers through innovative building material at an affordable pricing has been a key focus area for the Company. Progressive changes in the business processes and product portfolio have enabled us reduce our ecological impact while being responsive to the changing customer requirements. Our future focussed policies and customer centric delivery have helped us build faith in our stakeholders.

   Innovation is the corner stone of our business model enabling us to de-clutter the market and capture new opportunities across new and existing sectors. Our Products and solutions are in line with our customer's demands and in harmony with the environment. We practice continuous consumer engagement, innovation, and capacity building of our people across our value chain to deliver quality products. We aspire to keep evolving to more sustainable building materials that meets the expectations of the prospering nation.

3. *Does the company identify and assess potential environmental risks? Y/N*

We carry out the materiality assessment on the group level on regular basis and the same is recorded in our disclosures in the form of integrated report/sustainability report. In addition, our manufacturing locations are certified with ISO 14001 Environment Management System (EMS). The ISO 14001 certifiable standard requires aspect /impact assessment of the activities being carried out in the plants. We also assess the potential environmental risks and opportunities specific to climate change and report them annually in CDP responses.

4. *Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?*

   Yes, we have initiated Clean Development Mechanism ('CDM') projects on blended cement under the approved CDM methodology ACM 0005. Further details of the same can be found at: http://cdm.unfccc.int/Projects/DB/DNV-CUK1156766994.32/view and https://cdm.unfccc.int/Projects/DB/SGS-UKL1161119962.23/view. The compliance reports, as per the provisions of the central and state authorities/boards, are submitted on regular intervals.

5. *Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.*

   Dalmia Cement (Bharat) Limited, our wholly owned subsidiary company, has become the first cement company to join RE 100 initiative with a voluntary target of four fold increase in our renewable electricity consumption. Further details are available on http://media.virbcdn.com/files/a9/55845b630b54f906-RE100AnnualReport2017.pdf. Similarly, Dalmia Cement (Bharat) Limited is the first cement company to join EP 100 (Energy Productivity 100) campaign. In our ambition to increase the share of green electricity, we have commissioned 8MW captive solar PV project and a 9.2 MW waste heat recovery project. In addition new project capacities of Green Power of over 40 MW are under pipeline.

6. *Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?*

   The emissions/waste generated by the company are within the permissible limits of CPCB/SPCB. The cement industry, in general, is doing national waste scavenger service while providing cement to the growing infrastructure and aspirations of new India.

7. *Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.*

   We have not received any show cause/ legal notices from CPCB/SPCB.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. *Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:*

   Our Group is a member of Federation of Indian Chambers of Commerce and Industry (FICCI), PHD Chamber of Commerce, Associated Chambers of Commerce & Industry of India (ASSOCHAM), Confederation of Indian Industry (CII), Cement Manufacturers Association (CMA), Federation of Indian Mineral Industries (FIMI), International Chamber of Commerce (ICC), Federation of Industry & Commerce of North Eastern Region (FINER) and Public Affairs Forum of India (PAFI).

   In our efforts to minimize our carbon footprints and adopt the industry best practices adopted globally, we have partnered with leading industry associations and forums. We are also a member of Cement Sustainability Initiative (CSI), a cement sector project of the World Business Council for Sustainable Development (WBCSD). We have partnered with International Finance Corporation (IFC) to promote sustainable business by adopting low carbon technologies. We are also an active member of TERI Council for Business Sustainability (CBS) and have been representing in the Thematic Advisory Groups (TAG) on Energy, Water, Sustainability Reporting and Corporate Social Responsibility. We have joined Carbon Pricing Leadership Coalition (CPLC), an initiative by the World Bank, to support carbon pricing through market based mechanisms. We are also members of Confederation of Indian Industry (CII), Sustainability Council, United Nations Global Compact (UNGC), India Business and Biodiversity Initiative (IBBI), C4C (Caring for Climate) and WBCSD's WASH Pledge.

2. *Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)*

   A three tired corporate affairs team regularly engages with a varied group of ever-expanding stakeholders enabling a 360 degree perspective and ensuring that their opinion, needs and concerns are accounted for. Further, active participation in various summits and industry associations, frequent capacity building workshops and monthly review meetings keeps us responsive to the upcoming trends and exploring new business opportunities.

We have been advocating the improvement in public policies and procedures to achieve the objectives of the government like Make in India, Skill Development, and Digital India and so on. Some key policy advocacies are as follows:

Governance & Administration –

Public procurement:
A representation / recommendation for notifying cement under Public Procurement (preference to Make in India) Order, 2017 was made by us to the Department of Industrial Policy and Promotion (DIPP), Cement Manufacturers Association and other leading cement companies. DIPP based on our recommendation has notified the cement varieties, namely OPC, PPC, PCC, PSC and OWC to be procured for public purposes with minimum 70% local content.

Easing the Compensatory Afforestation Rules:
We have been advocating for easing the procedure of Compensatory Afforestation Rules which are time-consuming and complex. We have advocated for allowing the proponents to implement the project post-completion of statutory and financial obligations instead of holding the project till the mutation of compensatory land in favour of the State Department. Our recommendations have found mention in the report published by Sh. Ajay Shankar on 'Ease of doing Business in India'.

Economic Reforms –

Transfer of mining lease within Group companies:
We are advocating that no charges should be levied on transfer of mining leases within the group companies.

Anomoly in calculation of average sale price of limestone:
IBM, Nagpur, publishes the limestone prices on a monthly basis, wherein a mine of Meghalaya is creating a skew in the pricing. We have been advocating to remove such anomaly to arrive at a realistic price.

Inclusive Development Policy/Energy Security –

Auction not to be the only method of alienation of natural resources:
We have been advocating that no economy can be based on one method of alienation of natural resources. Though auction process is welcome wherein the reserves are known to certainty, there are resources which are not explored and sizeable for detailed exploration. These needs to be alienated on the first in first out method else the national resources would be stranded without any economic benefit to the nation at large.

GST Rates for blended cement:
We have been advocating through industry associations to reduce the GST rate on cement from 28% to 18%.

Principle 8 – Businesses should support inclusive growth and equitable development.

Through our high-impact CSR initiatives, we have been able to benefit over Six Lakh people residing in the communities around our plants. Our prime focus has been to empower the farmers and making them self-sufficient through a myriad of interventions.

1. *Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.*

   We, through our CSR initiatives, are committed to bring positive change in the community. We are fully engaged in ensuring equitable and sustainable growth in the areas of operations.

   We are working towards improving quality of life of people living around our plants, connecting people to opportunities and creating resources, within the framework of development priorities across India.

   Our CSR Policy is available on the website https://www.dalmiabharat.com. The policy highlights the purpose and vision of our CSR activities. The policy clearly sets the broad purview under which the Company shall perform its CSR activities and identifies focus areas and guidelines for planning, implementation, monitoring, feedback and review of the projects.

   The key focus of Corporate Social Responsibility are as follows:

   1. Soil and Water Conservation
      In our neighbouring communities, the water table is as low as 500 feet, creating water scarcity and stress for agriculture and household use. We are thus working on a systematic, integrated and predictive approach for water management along with the community for water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability like check dams, village and farm ponds, ring wells, watershed activities.

   2. Energy conservation and Climate Change Mitigation
      Clean and renewable energy for the poor and vulnerable rural communities is another focus area. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting fuel-efficient cook stoves, liquified petroleum gas connections, bio gas plants, solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

   3. Livelihood Skill Training
      Aiming at long term benefits for the youths and their family, we have started many skill development

programmes and provided training in areas like stitching, tailoring, food processing, computer education and many other. We have also set up DIKSHA (Dalmia Institute of Knowledge and Skill Harnessing) centres in partnership with National Skill Development Corporation.

4. Social Development

   We are helping in building the basic infrastructure needs of the community like school sanitation blocks, low cost toilets, community halls, school buildings, etc. We have also pitched in by arranging general as well as specialized health camps, providing medicines, immunizations, maternal and child health care.

2. *Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?*

   The programmes are being run by in-house team of dedicated professionals and are implemented by Dalmia Bharat Foundation, a trust set up by the Group.

3. *Have you done any impact assessment of your initiative?*

   The CSR initiatives are assessed for their impacts on the community through independent 3rd party impact assessment studies. The feedback of the community is collected and impacts are assessed through a collaborative mechanism that includes SRoI studies.

4. *What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?*

   During the financial year 2017-18, the Company has spent an amount of Rs. 1.07 Crore towards community development projects during financial year 2017-18. The details of projects undertaken and project wise expenditure are provided in the annual report on CSR activities forming part of the Directors' Report.

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.*

   We ensure community buy-in for all the projects. The projects are implemented through engagements with the communities. The main effort lies in educating and mobilizing the people which is attainable through effective stakeholder engagement process. Participatory community monitoring mechanism are developed at the inception stage of the interventions, with an aim to assess the program while implemented and include the learnings to ensure sustainability of the programme. The community buy-in requirement is also ensured through beneficiary contribution in each of the project either monetary or in-kind through common property, land, labour, etc.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Our customers are always at the heart of our business decisions and we are designed and organized in such a way so as to provide world class experience to them. Our newly launched mobile app has brought us closer to our customers and have fostered enhanced customer interaction and order management. The app helped us in receiving and delivering orders while transitioning to GST as well.

Customers are always encouraged to give a feedback on the product quality or service to our Sales and Technical services team. We also conduct our customer satisfaction surveys wherein the areas of improvement are identified and actions are taken around the feedback by each department. In order to develop a strong relationship with our stakeholders and to create a win-win situation for every stakeholder we work with, we have adopted specific communication channels for each stakeholder group. Customer feedback, customer satisfaction survey, phone calls, e-mails and meeting, exhibitions, events, websites and social media are some of the communication channels adopted for customers concerns with respect to timely delivery, quality, pricing, post- sale support, production related certifications, etc.

We have a dedicated toll-free helpline number for our customers to address their concerns and it is ensured that the call logs are well-documented and appropriate actions are taken at the earliest.

Our technical services team ensures that the consumers are made aware of the products most suitable for their requirement. The team also assists on construction practices, safety measures, usage of right materials, among others. For institutional consumers we undertake additional interactions with respect to product delivery, concrete mix design, third party testing, sales and administration policies –like pricing and credit.

1. *What percentage of customer complaints/consumer cases are pending as on the end of financial year.*

   Two customer complaints were pending as on March 31, 2018 at Group level.

2. *Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)*

   The product information is displayed as per the standards prescribed by the Bureau of Indian Standards (BIS). It is ensured that the products meet the necessary compliance.

3. *Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible*

advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No cases are filed against the Company towards unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. *Did your Company carry out any consumer survey/ consumer satisfaction trends?*

We are committed to providing a holistic customer experience to propel our organization in an increasingly cluttered and commoditized marketplace. Through exceptional product delivery and enhanced engagement we aspire to build a customer centric organization. Clustered annual meets allows our leadership to directly interact with the dealers and sub-dealers and engaging on win-win engagements. A dedicated helpline number allows our customers to connect with us on a real time basis. Any concerns or feedback is addressed immediately and also documented for necessary process interventions.

Quarterly technical newsletter "Tech Think" and "Unnati" are published in English and vernacular languages dedicated to engineers & architects and masons respectively. The publications serves as a learning aid and highlights our product attributes for sectorial needs. Annual technocrat conference, meets and lecture series are conducted for engineers, architects and masons wherein eminent speakers shed light on the latest development, emerging technologies and construction best practices. Visits are also arranged to plant and R&D centre to get an understanding of the product offerings and attributes.

During the financial year 2017-18, a consumer survey was conducted by an independent Market Research Agency, KANTAR IMRB with respect to brand preference. As per the survey, we are the most preferred brand among 19% of consumers (i.e. Individual House Builders or IHBs) in Eastern India. This gives us a close 3rd position. In North East, amongst 31% of consumers, we are the most preferred brand. This gives us a leadership position.

The Group organizes annual dealer and sub-dealer meets in clusters wherein our senior management directly interacts with the dealers and discusses their concerns and future plans.

Even in the absence of a formal survey, the marketing team continues to encourage our customers to give ad-hoc feedback as and when necessary on product quality or service. Our informal surveys on dealer satisfaction level serve as valuable inputs enabled us to improve our overall product delivery on various fronts like sales team interaction, public relations, trade engagement and technical services. The concerns, feedbacks and recommendations enable us to tune the business model towards better delivery and exceptional service.

Independent Auditor's Report

To the Members of
Odisha Cement Limited

Report on the Standalone Ind AS Financial Statements

1. This Report is issued in supersession of our earlier report dated May 18, 2018 on the Original Standalone Ind AS Financial Statements, to the extent of matter stated in emphasis of matters paragraph 7 below.

2. We have audited the accompanying standalone Ind AS financial statements of Odisha Cement Limited ("the Company") (Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as Dalmia Bharat Limited), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the financial statements and other financial information of entities transferred by slump sale and amalgamation by merger (as more fully described in Note 43 to the standalone Ind AS financial statements) by Hon'ble National Company Law Tribunal, Chennai Bench and implementation of other conditions of the scheme (hereinafter reference to the Company includes transferred and merged entities and further demerged entities), herein after referred to as Ind AS Financial Statements, with effect from January 01, 2015.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence obtained by us and other auditors (component auditors) as referred in the "Other Matters" is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis on Matter

7. Without qualifying we draw attention to Note 44, to the accompanying standalone Ind AS financial statements for the year ended March 31, 2018 which earlier were approved by the Board of Directors in its meeting held on May 18, 2018. The accompanying standalone Ind AS financial statements have been prepared by the Company consequent to Slump Exchange of Transferred Undertakings and amalgamation of merged entities pursuant to a Scheme of Arrangement and Amalgamation, approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide order dated May 1, 2018 effective from October 30, 2018 more fully described therein, with an appointed date of January 01, 2015. We further report that our audit procedures on the subsequent events in so far as those relate to the updation of the original standalone Ind AS financial statements (as amended) are restricted solely to the matters related to the Scheme and no effect has been given for any other events, if any, occurring after May 18, 2018 (being the date on which original standalone Ind AS financial Statements were approved by the Board of Directors of the Company and reported upon by us in our report of that date).

   Our opinion on the Standalone Ind AS Financial Statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors (component auditors).

8. Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of our comments and in terms of comments in the report of the other auditors (component auditors), we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the financial information adequate for the purpose of our audit has been received in respect of the components entities audited by component auditors referred in the "Other Matters";

   (c) The balance sheet, statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account and the financial information adequate for the purpose of our audit has been received in respect of the components entities audited by component auditors referred in the "Other Matters";

   (d) In our opinion, and on the basis of the consideration of the reports of the component auditors on the financial information of the component entities referred in the "Other Matters", the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act read with clause (xi) of our report on the Order issued in terms of Section 143(11) of the Act; and

   (h) 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 according to the explanations given to us and in terms of the reports of the component auditors in respect of component entities referred in the "Other Matters":

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note xx to the standalone Ind AS 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.

Other Matters

1. Certain components of financial statements and other financial information of the Transferred Undertaking included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information which were used for the purpose of giving effect of the implementation of Scheme – 1 as on the appointed date i.e. January 01, 2015. The financial statements and financial information of such components have been audited by component auditors whose reports have been furnished to us , and our opinion in so far as it relates to the amount and disclosures as included in respect of such Transferred Undertakings is based solely on the report of such component auditors. Our Opinion is not modified in respect of this matter (read with note no 43 to the standalone Ind AS financial statements).

2. In respect of Comparative Financial Statements and Financial Information for the year ended March 31, 2017 of the Transferred Undertaking included in the accompanying standalone Ind AS financial statements of the Company, the financial statements and financial information of such components have been audited by component auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amount and disclosures as included in respect of such Transferred Undertakings is based solely on the report of such component auditors. Our opinion is not modified in respect of this matter (read with note no 43 to the standalone Ind AS financial statements).

For S.S. Kothari Mehta & Co.
Chartered Accountants
ICAI Firm registration number: 000756N

per Sunil Wahal
Partner
Membership No.87294

Place: New Delhi
Date: October 30, 2018

Annexure 1 to the Independent Auditor's Report to the members of Odisha Cement Limited dated October 30, 2018.

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

Our report includes report on the component entities which have been audited by other auditors referred in the 'Other Matters' in our report of even date. Our report in respect of these component entities is based solely on the report of the component auditors to the extent considered applicable for reporting under the Order in these standalone Ind AS financial statements.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of physical verification of property plant and equipment that covers every item of fixed assets over a period of three years. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification undertaken during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company except for an immovable property having a gross block after fair valuation of Rs. 47 crore and net block of Rs. 41 crore not registered in the name of the Company as at the balance sheet date. As explained by the management, the title deeds of the property shall be executed in favour of the Company in accordance with the order of the Ld. Additional District Judge, Delhi.

(ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore the provisions of clause 3(ii) of the said Order are not applicable to the Company.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans not prejudicial to the Company's interest.

(b) The Company has granted tenure based loans as well as loans re-payable on demand as agreed, to parties covered in the register maintained under Section 189 of the Act. In respect of tenure based loans, the loans have been appropriately rolled forward. The repayment of loans is as per tenure only. In respect of loans which are granted as re-payable on demand, we are informed that the Company has not demanded repayment of any such loan during the year and thus there has been no default on the part of the parties to whom the money has been lent. The payment of interest, wherever applicable has been regular.

(c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Act which are overdue for more than ninety days. Hence, reporting requirement is not applicable.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & service tax and other statutory dues, as applicable, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales-tax or service tax or duty of customs or duty of excise, value added tax and goods & service tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loans from financial institutions, debenture holders and Government.

(ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer and monies raised by way of term loans have been utilised for the purpose for which term loans were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has paid remuneration aggregating to Rs. 0.54 Crores to Managing Directors during the year in excess of the limits laid down by Section 197 read with Schedule V to the Act after seeking the requisite approval of the shareholders. The Government has since notified the amendment in Section 197 permitting such payment subject to approval of shareholders. The Company's applications to Central Government seeking approval for such excess payment have since been abated and the files have been closed.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon (read with note no xxx to the standalone Ind As financial statements).

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.S. Kothari Mehta & Co.
Chartered Accountants
ICAI Firm registration number: 000756N

per Sunil Wahal
Partner
Membership No.87294

Place: New Delhi
Date: October 30, 2018

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Odisha Cement Limited dated October 30, 2018

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of **Odisha Cement Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Standalone financial statements.

Meaning of Internal Standalone Ind AS Financial Controls Over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with Reference to these Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements of the Company, in so far as it relates to component entities acquired through Scheme of Arrangement and Amalgamation which are companies incorporated in India, is based on the corresponding report of the auditors of such entities incorporated in India.

For S.S. Kothari Mehta & Co.
Chartered Accountants
ICAI Firm registration number: 000756N

per Sunil Wahal
Partner
Membership No.87294

Place: New Delhi
Date: October 30, 2018

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Balance Sheet as at March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	2	73	76
Capital work-in-progress	3	1	-
Other intangible assets	4	1	1
Intangible assets under development	5	0	0
Investments	6	6,779	7,075
Financial assets	7		
(i) Investments		4	5
(ii) Loans		1	1
(iii) Other financial assets		2	2
Income tax assets	8	25	5
Other non-current assets	9	8	8
		6,894	**7,173**
Current assets			
Financial assets	10		
(i) Investments		283	82
(ii) Trade receivables		22	13
(iii) Cash & cash equivalents		4	2
(iv) Bank balance other than (iii) above		4	3
(v) Loans		483	502
(vi) Other financial assets		40	40
Income tax assets	11	12	-
Other current assets	12	4	10
		852	**652**
Total - Assets		**7,746**	**7,825**
Equity and Liabilities			
Share capital suspense account	13	6,654	6,654
Other equity	14	859	809
		7,513	**7,463**
Non-current liabilities			
Financial liabilities	15		
(i) Borrowings		2	2
Provisions	16	6	2
Deferred tax liabilities (net)	17	25	24
		33	**28**
Current liabilities			
Financial liabilities	18		
(i) Borrowings		-	198
(ii) Trade payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		14	15
(iii) Other financial liabilities		172	112
Other current liabilities	19	12	4
Provisions	20	2	5
		200	**334**
Total equity and liabilities		**7,746**	**7,825**
Significant accounting policies	1		

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

As per our report of even date

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

For and on behalf of the Board of Directors of Odisha Cement Limited

Sunil Wahal
Partner
Membership No.: 087294

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Place: New Delhi
Date: October 30, 2018

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	21	125	103
Other income	22	91	65
Total Income (I)		**216**	**168**
Expenses			
Employee benefits expenses	23	75	59
Finance cost	24	4	21
Depreciation and amortization expenses	2 & 3	4	4
Other expenses	25	39	27
Total expenses (II)		**122**	**111**
Profit before tax (I-II)		**94**	**57**
Tax expenses			
Current tax		21	16
Deferred tax charge / (credit)		1	1
Total tax expenses		**22**	**17**
Net Profit after tax for the year (A)		**72**	**40**
Other comprehensive income			
A. Items that will not to be reclassified to profit or loss			
- Re-measurement (losses)/ gains on defined benefit plans		3	(2)
- Income tax relating to items that will not be reclassified to profit or loss		(1)	1
Other Comprehensive income (B)		**2**	**(1)**
Total Comprehensive income for the year (A+B)		**74**	**39**
Earning per share	26		
Basic earnings per share (In Rupees)		3.75	2.08
Diluted earnings per share (In Rupees)		3.72	2.07
Significant accounting policies	1		

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

As per our report of even date

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

For and on behalf of the Board of Directors of Odisha Cement Limited

Sunil Wahal
Partner
Membership No.: 087294

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Place: New Delhi
Date: October 30, 2018

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Cash Flow Statement for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Net profit before tax	**94**	**57**
Adjustments		
Depreciation/amortisation	4	4
Share based payment expense	1	2
Dividend income	(23)	(0)
Finance cost	4	21
Interest income	(46)	(50)
Fair valuation gain / (loss) on investments	(10)	(3)
(Profit)/Loss on sale of Investments	(12)	(12)
Profit on sale of property, plant & equipment	(0)	(0)
Operating profit before working capital changes	**12**	**19**
Adjustments for working capital changes :		
Trade payables, financial liabilities, other liabilities and provisions	69	1
Trade Receivables, financial assets and other assets	15	(3)
Cash generated from operations	**96**	**17**
Income tax paid (net of refunds)	(55)	1
Net cash flow from operating activities	**41**	**18**
B. Cash flow from/ (used in) investing activities		
Purchase of property, plant & equipment and Intangible assets	(2)	(2)
Proceeds from sale of property, plant & equipment	1	4
(Purchase)/ sale of current investments (net)	(179)	(2)
(Purchase)/ sale of non current investments (net)	1	4
Proceeds from erstwhile shareholder of the Subsidiary Company	296	(5)
Interest received	47	16
Dividend received on current investments	23	0
Net cash from from/ (used in) investing activities	**187**	**15**
C. Cash flow (used in) financing activities		
(Repayment)/ Proceeds from long term borrowings (net)	(0)	(67)
(Repayment)/Proceeds from short term borrowings (net)	(198)	48
Proceeds from issue of shares	9	7
Finance cost paid	(4)	(21)
Dividend paid (including dividend distribution tax)	(33)	-
Net cash flow (used in) financing activities	**(226)**	**(33)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**2**	**0**
Cash and cash equivalents at the beginning of the year	2	2
Cash and cash equivalents at the end of the year	4	2
Change in cash & cash equivalents	2	0

Note:

1) Cash & cash equivalents components are as per Note 10 (iii) of the Financial Statements

As per our report of even date

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

For and on behalf of the Board of Directors of Odisha Cement Limited

Sunil Wahal
Partner
Membership No.: 087294

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place: New Delhi
Date: October 30, 2018

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Statement of Change in Equity for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

a. Share capital suspense account:

	(Amount in ₹)
Share capital suspense account (refer note 13)	
As at April 1, 2016	6,654
Change during the year	0
As at March 31, 2017	6,654
Change during the year	0
As at March 31, 2018	6,654

b. Other equity: (Amount in ₹)

Particulars	Reserve and Surplus					Other comprehensive income	Total Other equity
	Securities premium	Capital reserve	General reserve	Retained earnings	Employee stock option outstanding	Remeasurement of post employment benefit obligation	
As at April 01, 2016	620	88	3	44	6	(0)	761
Profit/ (Loss) for the year	-	-	-	40	-	-	40
Other comprehensive income	-	-	-	-	-	(2)	(2)
Total comprehensive income	-	-	-	40	-	(2)	38
Add: Addition during the period	4	-	-	-	6	-	10
As at March 31, 2017	624	88	3	84	12	(2)	809
Profit/ (Loss) for the year	-	-	-	72	-	-	72
Other comprehensive income	-	-	-	-	-	2	2
Total comprehensive income for the year	-	-	-	72	-	2	74
Add: Addition during the year	7	-	-	-	2	-	9
Less: Appropriations							
Dividend paid	-	-	-	(27)	-	-	(27)
Dividend distribution tax	-	-	-	(6)	-	-	(6)
As at March 31, 2018	631	88	3	123	14	(0)	859

For description of the purposes of each reserve within equity, refer note 14 of financial statements.

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Notes to financial statements for the year ended March 31, 2018

Note 1 Summary of Significant Accounting Policies

A. Corporate Information

The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in providing management services. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

Pursuant to the Scheme of Amalgamation sanctioned by the the NCLT, Division Bench, Chennai, Erstwhile Dalmia Bharat Limited (DBL) (Transferor Company) amalgamated with Odisha Cement Limited (Transferee Company) with the appointed date as January 01, 2015 and Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013 the Transferee Company stands renamed from " Odisha Cement Limited " to " Dalmia Bharat Limited ", with effect from 30th October, 2018 pursuant to Schemes of Arrangement and Amalgamation. Company shall issue its equity shares to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, the record date to be fixed in consultation with the stock exchange which shall be listed on BSE Limited and National Stock Exchange of India Limited (refer note 43 of the financial statements).

The financial statements for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on October 30, 2018, refer note 44 for details related to updation in financial statement approved by the directors on May 18, 2018.

B. Significant Accounting Policies

(i) Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Investment in mutual funds measured at fair value [refer accounting policy 1B(ii)(t) regarding financial instruments] and
- Share based payments [refer accounting policy 1B(ii)(r)]

The financial statements are presented in Indian Rupee (Rs.) and all the values are rounded off to the nearest Crore, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees fifty lakhs.

(ii) Summary of significant Accounting Policies

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company had elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. Business combination post April 1, 2015 has been accounted for as per the provisions of the Scheme of amalgamation approved by the National Company Law Tribunal including the accounting for the resulting goodwill (refer note 43).

b. Classification of Assets and Liabilities into Current/Non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Investment in associates, joint ventures and subsidiaries.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associates and joint ventures are accounted at cost. Investment in subsidiaries are measured at cost in accordance with Ind AS 27.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. **Foreign currencies**

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in statement of profit or loss).

In accordance with Ind-AS 101 'First time adoption', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment before transition date are capitalized and depreciated over the remaining useful life of the asset.

f. **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit cum Risk management Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Disclosures for valuation methods, significant estimates and assumptions (note 24)
- Financial instruments (including those carried at amortised cost) (note 31)
- Comparison of carrying value and fair value of financial instruments (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 32)

g. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax ('VAT')/ service tax/ Goods and Service Tax ('GST') are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and therefore, these are not an economic benefit flowing to the Company. Accordingly, these are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Revenue from services

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

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

h. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss {either in other comprehensive income (OCI) or in equity}. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the Income Tax Act, 1961, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

i. Property, plant and equipment

The Company has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible Assets

The Company has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of amortization policies applied to the Company's intangible assets is as below:

	Useful life
Computer software	3 to 5 years

k. **Borrowing costs**

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

l. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined there are no arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs [See note 1(l)]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

m. **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss, if any.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

n. **Provisions**

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o. **Retirement and other employee benefits**

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and Employees state insurance (ESI) are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Re-measurements, comprising of re-measurement gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred.

p. Share-based payments

Certain senior executives of the Company receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Cost is recognised, together with a corresponding increase in Employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of Company are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

q. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Debt instruments at amortised cost
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Segment reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

2. Property, plant and equipment

(Amount in ₹)

	Land	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Cost								
As at March 31, 2016	18	0	58	-	2	2	3	83
Additions during the year	-	-	-	-	0	1	-	1
Disposals during the year	-	-	2	-	0	0	1	3
As at March 31, 2017	18	0	56	-	2	3	2	81
Additions during the year	-	-	-		0	1	0	1
Disposals during the year	-	-	-		0	0	0	0
As at March 31, 2018	18	0	56	-	2	4	2	82
Depreciation								
As at March 31, 2016	-	0	2	-	0	0	(0)	2
Charge for the year	-	-	2	-	0	1	1	4
On Disposals	-	-	-	-	0	1	1	1
As at March 31, 2017	-	0	4	-	0	1	(0)	5
Charge for the year	-	-	2	-	1	0	1	4
On Disposals	-	-	-	-	0	0	0	0
As at March 31, 2018	-	0	6	-	1	1	1	9
Net block								
As at March 31, 2018	18	-	50	-	1	3	1	73
As at March 31, 2017	18	-	52	-	2	2	2	76

Registration of Building amounting to Rs. 41 (March 31, 2017 Rs. 43) is pending to be registered in the name of the company.

3. Capital work-in-progress

(Amount in ₹)

	Capital work-in-progress
Cost	
As at April 01, 2016	-
Additions during the year	-
Disposals during the year	-
As at March 31, 2017	-
Additions during the year	1
Disposals during the year	-
As at March 31,2018	1

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

4. Intangible Assets

(Amount in ₹)

	Computer Software
Cost	
As at April 01, 2016	-
Additions during the year	1
Disposals during the year	-
As at March 31, 2017	1
Additions during the year	0
Disposals during the year	-
As at March 31,2018	1
Amortisation	
As at April 01, 2016	-
Charge for the year	-
On Disposals	-
As at March 31, 2017	-
Charge for the year	0
On Disposals	-
As at March 31,2018	0
Net Block	
As at March 31,2018	1
As at March 31, 2017	1

5. Intangible assets under development

(Amount in ₹)

	Intangible assets under development
Cost	
As at April 01, 2016	1
Additions during the year	0
Disposals during the year	1
As at March 31, 2017	**0**
Additions during the year	0
Disposals during the year	-
As at March 31,2018	**0**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

6. Investment

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Cost				
Unquoted equity shares (Investment in subsidiaries)				
234,251,187 (March 31, 2017: 234,251,187) Shares of Rs. 10/- each fully paid up in Dalmia Cement (Bharat) Limited (Refer note 43)	6,749		7,043	
Nil (March 31, 2017: 420,000) Shares of Rs. 10/- each fully paid up in Kanika Investment Limited	-		2	
500,000 (March 31, 2017: 500,000) Shares of Rs. 10/- each fully paid up in Dalmia Power Limited	1		1	
		6,750		7,046
Quoted equity shares				
14,829,764 (March 31, 2017: 14,829,764) Equity Shares of Rs. 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
Unquoted equity shares (others)				
20 (March 31, 2017: 20) Shares of Rs. 10/- each fully paid up in Asian Refractories Limited (under liquidation)	((200))		((200))	
25 (March 31, 2017: 25) Shares of Rs.10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	((144))		((144))	
250 (March 31, 2017: 250) Shares of Rs. 10/- each fully paid up in Haryana Financial Corporation	((2500))		((2500))	
	-		-	
Less: Provision for diminution in value of Investments	-	-	-	-
Total		**6,779**		**7,075**
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		95		257
Aggregate book value of unquoted investments		6,750		7,046
Aggregate amount of impairment in value of investments		-		-

7. Financial assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(i) Investments		
At fair value through profit and loss		
A. Venture capital fund (Unquoted)		
1,188 (March 31, 2017: 1,188) Units of Rs. 49,430/- (March 31, 2017: Rs.60,430/-) each fully paid up in Urban Infrastructure Opportunities Fund	4	5
B. Tax free bonds (quoted)		
8.30% NHAI tax free bonds	0	0
	4	5
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate book value of unquoted investments	4	5

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

7. Financial assets (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(ii) Loans		
(Considered good and unsecured unless otherwise stated)		
Loans and advances to:		
Employees	1	1
	1	1
(iii) Other financial assets		
(Considered good and unsecured unless otherwise stated)		
Security deposit	2	2
Purchase consideration receivable *	0	0
	2	**2**

* Being the amount due to erstwhile Dalmia Bharat Limited (DBL) from Dalmia Cement (Bharat) Limited (DCBL) is a consideration for transfer of undertaking Adwetha Cement Holding Limited (ACHL) pursuant to the effectiveness of the another Scheme of arrangement and amalgamation between DCBL and its related parties including ACHL as approved by Hon'ble National Company Law Tribunal (NCLT), Chennai Bench vide its order dated October 20, 2017.

	As at March 31, 2018	As at March 31, 2017
Break up of financial assets carried at amortised cost		
Investments	0	0
Employee loans	1	1
Security deposits	2	2
Purchase consideration receivable	0	0
Total financial assets carried at amortised cost	3	3
Break up of financial assets carried at fair value through profit or loss		
Investment - Venture capital Fund	4	5
	4	**5**

8. Income tax assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advance Income Tax (Net of provision for tax)	25	5
	25	**5**

9. Other non-current assets

(Considered good and unsecured unless otherwise stated)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advances to related parties	7	7
Prepayments	1	1
	8	**8**

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

10. Financial assets

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
(i) Investments				
At fair value through profit and loss				
Units of mutual funds (Quoted)				
Debt based schemes		242		44
Quoted equity shares				
5,20,400 (March 31, 2017: 5,20,400) Shares of Rs. 1/- each fully paid up in The Ramco Cements Limited	38		35	
50,000 (March 31, 2017: 50,000) Shares of Rs. 10/- each fully paid up in Poddar Pigments Limited.	1		1	
12,900 (March 31, 2017: 12,900) Shares of Rs. 10/- each fully paid up in Reliance Industries Limited	2		2	
		41		38
Total		**283**		**82**
Aggregate book value of quoted investments		283		82
Aggregate market value of quoted investments		283		82
Aggregate book value of unquoted investments		-		-
(ii) Trade Receivables				
Trade receivables		4		1
Receivables from other related parties		18		12
Total trade receivables		**22**		**13**
Break-up for security details :				
Trade receivables				
Unsecured, considered good		22		13
Doubtful		-		0
		22		**13**
Impairment allowance (allowance for bad and doubtful debts)				
Doubtful		-		-
		-		0
Total Trade receivables		**22**		**13**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(iii) Cash and cash equivalents				
Balances with Banks :				
- On current accounts		2		2
Cash on hand		0		0
Cheques on hand		2		0
		4		**2**
(iv) Bank balance other than (iii) above				
Balances with banks :				
- Un paid dividend account		4		3
		4		**3**

as at March 31, 2018, the Company had available Nil (March 31, 2017: Rs. 15) of undrawn committed borrowing facilities.

For the purpose of the cash flows statement, cash and cash equivalents comprise the following:

Balances with banks:				
- On current accounts		2		2
Cash on hand		0		0
Cheques on hand		2		0
		4		**2**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

10. Financial assets (Contd.)

Changes in liabilities arising from financing activities

Particulars	April 01, 2017	Cash (outflow)/ inflow	Changes in Fair value loss/ (gain)	March 31, 2018
Current borrowings	198	(200)	2	0
Non current borrowing	2	-	(0)	2
	200	**(200)**	**2**	**2**
Particulars	**April 01, 2016**	**Cash (outflow)/ inflow**	**Changes in Fair value loss/ (gain)**	**March 31, 2017**
Current borrowings	148	50	(0)	198
Non current borrowing	76	(66)	(8)	2
	224	**(16)**	**(8)**	**200**

	As at March 31, 2018	As at March 31, 2017
(v) Loans (Considered good and unsecured unless otherwise stated)		
Loans		
Employees	1	1
Related parties	452	472
Others	30	29
	483	**502**
(vi) Other financial assets		
(Considered good and unsecured unless otherwise stated)		
Security deposit	1	0
Interest receivable	39	40
	40	**40**
Break up of financial assets carried at amortised cost		
Loans to employees	1	1
Loans to related parties	452	472
Loans to others	30	29
Trade receivable	22	13
Cash and bank balances	8	5
Security deposit made	1	0
Interest receivable	39	40
	553	**560**
Break up of financial assets carried at fair value through profit or loss		
Investment - mutual funds	242	44
Investment - quoted equity shares	41	38
	283	**82**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

11. Income tax assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Balances with tax authorities	12	-
	12	**-**

12. Other current assets (Considered good and unsecured unless otherwise stated)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advances recoverable in cash or in kind or for value to be received	1	7
Other advances		
Prepayments	2	1
Deposits and balances with government departments and other authorities	1	2
	4	**10**

13. Share capital suspense account

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Authorised :		
1,59,55,00,000 (March 31, 2017: 1,59,55,00,000) Equity Shares of Rs. 2/- each	319	319
1,00,000 (March 31, 2017: 1,00,000) Preference Shares of Rs. 100/- each	1	1
5,00,00,000 (March 31, 2017: 5,00,00,000) Preference Shares of Rs. 10/- each	50	50
	370	**370**

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Share capital suspense account	6,654	6,654
Total	**6,654**	**6,654**

"Pursuant to Scheme 1 & 4 as described in note 43 the Company is in process of fixing Record Date for allotment of 19,27,27,553* equity shares of Rs.2/- each fully paid up of the Company on premium to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, specified under the Scheme. and Therefore till such time the shares are being issued to the shareholders, the said amount including securities premium is shown as 'Share capital suspense account'.

*Include 7,20,000 equity shares of Rs. 2/- each fully paid up of the Company to the employees under "Employee Stock Option Plan".

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

14. Other equity

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Employee stock option outstanding		
Opening Balance as per last financial statements	12	6
Add: Addition during the year	2	6
Closing Balance	**14**	**12**
Securities premium		
Opening Balance as per last financial statements	624	620
Add: Addition during the year	7	4
Closing Balance	**631**	**624**
General reserve		
Opening Balance as per last financial statements	3	3
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	**3**	**3**
Capital reserve		
Opening Balance as per last financial statements	88	88
Add: Addition during the year	-	-
Closing Balance	**88**	**88**
Retained earnings		
Balance as per last financial statements	84	44
Add: Profit for the year	72	40
	156	84
Less: Appropriations		
Dividend paid	27	-
Dividend distribution tax	6	-
Total appropriations	33	-
Net Surplus in the statement of profit and loss	123	84
Other comprehensive income		
Remesurement of post employment benefit obligation, net of tax		
Opening Balance as per last financial statements	(2)	0
Add: Addition during the year	2	(2)
Closing Balance	**0**	**(2)**
	123	**82**
Total Other Equity	**859**	**809**
Distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended on March 31, 2017 : Rupees 2.20 Per share (March 31, 2016: Nil Per share)*	20	-
	20	-
Proposed dividends on equity shares:		
Proposed dividend for the year ended on March 31, 2018: Rupees 1.70 per share (March 31, 2017 : Rupees 2.20 per share)	33	20
	33	20

* Paid from erstwhile Dalmia Bharat Limited and OCL India Limited now merged with the company as per the Scheme of Arrangement and Amalgamation refered in note no 43

14. Other equity (Contd.)

Description of nature and purpose of each reserve

(a) **Employee stock option outstanding-** The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account.

(b) **Securities premium-** The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve will utilised in accordance with the provisions of Company Act 2013.

(c) **General reserve-** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(d) **Capital reserve-** Capital Reserve represents Rs.88 Crore created due to reduction of share capital as referred in Note No. 43.

(e) **Retained earnings-** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

15. Financial liabilities

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(i) Borrowings		
Secured		
Obligations under finance lease (Refer note-30)	2	2
	2	**2**
Financial liabilities carried at amortised cost		
Obligations under finance lease	2	2
	2	**2**

16. Provisions

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Provision for leave encashment	2	2
Provision for gratuity	4	-
	6	**2**

17. Deferred tax liabilities / assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Deferred Tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	-	-
Others	25	25
	25	**25**
Assets		
Expenses allowable for tax purposes when paid	(0)	1
Others	0	0
	0	1
Deferred tax liabilities (net)	**25**	**24**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

17. Deferred Tax Liabilities / Assets (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(i) The major components of income tax expense for the years ended 31st March 2018 and 31st March 2017 are:		
Statement of profit and loss:		
Current income tax charge	21	16
Deferred Tax charge / (credit)	1	1
Income tax expense reported in the statement of profit or loss	**22**	**17**
OCI section		
Re-measurement (gains)/ losses on defined benefit plans		
Income tax related to items recognized in OCI during the year	(1)	1
	(1)	**1**
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2018 and 31st March 2017:		
Accounting profit before tax	94	57
Applicable tax rate	34.61%	34.61%
Computed Tax Expense	32	20
Dividend income/capital gains exempt from tax	(12)	(4)
Non-deductible expenses for tax purposes	1	1
Income tax reported in Statement of Profit and Loss	**22**	**17**

(iii) Deferred tax:

	Balance Sheet	
	As at March 31, 2018	As at March 31, 2017
Deferred tax relates to the following:		
Property, plant and equipment	21	22
Others	6	3
Less:		
Expenses allowable for tax purpose when paid	2	1
Provision for doubtful debts and advances	-	0
Net deferred tax liabilities	**25**	**24**
Reconciliation of deferred tax liabilities (net):		
Opening balance as of 1 April	24	24
Tax income/expense during the year recognised in profit or loss	1	1
Tax income/expense during the year recognised in OCI	0	(1)
Closing balance as at 31 March	**25**	**24**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

18. Financial liabilities

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(i) Borrowings		
Commercial paper	-	198
	-	**198**
Commercial papers outstanding in previous year, were payable in next three months and carry interest rate in the range of 6.80% to 7.10% per annum.		
(ii) Trade payables		
Total outstanding dues of micro and small enterprises (refer note- 39)	-	-
Total outstanding dues of creditors other than micro and small enterprises	14	15
	14	**15**
(iii) Other financial liabilities		
Directors' commission payable	1	0
Unclaimed dividend*	4	3
Capital crediotrs	0	0
Amount payable to related party**	167	109
	172	**112**
* Not due for deposit in Investor Education & Protection Fund		
** Amount payable to DCBL due to Scheme of Arrangement and Amalgamation.		
Financial liabilities carried at amortised cost		
Trade payables	14	15
Borrowings	-	198
Directors' commission payable	1	0
Unclaimed dividend*	4	3
Amount payable to related party**	167	109
Capital crediotrs	0	-
	186	**325**

19. Other current liabilities

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advances from customers	-	0
Other liabilities		
- Statutory dues	12	4
	12	**4**

20. Provisions

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Provision for leave encashment	2	1
Provision for employee benefits	-	4
	2	**5**

21. Revenue from operations

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Management services	124	103
Other operating revenue	1	0
	125	**103**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

22. Other income

(Amount in ₹)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Dividend income				
from non-current Investments from Subsidiary company		20		-
from current Investments		3		0
Interest Income		46		50
Fair valuation gain / (loss) on investments		10		3
Profit on sale of current Investments	12		12	
Less: Loss on sale of current Investments	0	12	0	12
Profit on sale of property, plant & equipment		0		0
Miscellaneous receipts		0		(0)
		91		**65**

23. Employee benefits expense

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	60	53
Contribution to provident and other funds	8	(0)
Expenses on employees stock options scheme	1	2
Workmen and staff welfare expenses	6	4
	75	**59**

24. Finance costs

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- On term loans	-	4
- On short term borrowings	2	14
- Others	-	0
Other borrowing cost	2	3
	4	**21**

25. Other Expenses

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Repairs and maintenance- others	3	2
Rent	7	5
Insurance	0	-
Professional charges	9	6
Rates and taxes	1	0
Travelling expenses	5	4
Computer expenses	1	1
Advertisement and publicity	0	0
Charity and donation	-	1
Corporate social responsibility expenses	1	1
Miscellaneous expenses	12	7
	39	**27**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

26. Earning Per Share*

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic EPS		
Net Profit for calculation of Basic EPS (Rs.)	72	40
Total number of equity shares outstanding at the end of the year	19,27,27,553	19,23,52,553
Weighted average number of equity shares for calculation of Basic EPS	19,24,05,978	19,21,28,695
Basic EPS (Rupees.)	3.75	2.08
Diluted EPS		
Net Profit for calculation of Diluted EPS (Rs.)	72	40
Weighted average number of equity shares for calculation of diluted EPS	19,24,05,978	19,21,28,695
Add: Weighted average number of potential equity shares	10,38,094	13,76,839
Weighted average number of equity shares for calculation of diluted EPS	19,34,44,072	19,35,05,534
Diluted EPS (Rupees.)	3.72	2.07

* In calculation of weighted average number of equity shares "Shares suspense account" has been considered.

27. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 29. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income. The Company has tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has created deferred tax asset on other deductible temporary differences, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Further details on taxes are disclosed in note 17.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 28.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34 and 35 for further disclosures.

Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognized for the years ended March 31, 2018 and March 31, 2017.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 10 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

28. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

Provident Fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (Amount in ₹)

Particulars	Gratuity (Funded)		PF Trust (Funded)	
	2017-18	2016-17	2017-18	2016-17
Current Service Cost	1	1	3	2
Interest cost on benefit obligation	1	-	2	1
Net Benefit Expense	**2**	**1**	**5**	**3**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2017 (1)	10	6	4	22	22	0
Service cost (2)	1	-	1	3	-	3
Net interest expense/ (income) (3)	1	0	1	2	2	-
Sub-total included in profit or loss (note 26) (2+3)=(4)	2	0	2	5	2	3
Re-measurements						
Acquisition adjustments (4A)	(0)		(0)			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	0	(0)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	(0)	-	(0)	-	-	-
Experience (gains)/losses (7)	(2)	-	(2)	0	-	0
Sub-total (4A+5+6+6A+7)=(8)	**(2)**	**(0)**	**(2)**	**0**	**0**	**(0)**
Expenses/(Income) included in OCI out of (8) above	**(2)**	**(0)**	**(2)**	**-**	**-**	**-**
Contributions by employer (9)	-	-	-	-	2	(2)
Contribution by plan participation/ employees (10)	-	-	-	5	5	-
Settlements/ (Transfer in) (11)	-	-	-	(0)	0	-
Benefits paid (12)	(1)	(1)	-	(0)	(0)	-
Sub-total (9+10+11+12)=(13)	**(1)**	**(1)**	**-**	**5**	**7**	**(2)**
March 31, 2018 (1+4+8+13)	**9**	**5**	**4**	**32**	**31**	**1**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2017 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2016 (1)	6	6	0	11	11	0
Service cost (2)	1	-	1	2	-	2
Net interest expense/ (income) (3)	0	0	0	1	1	1
Sub-total included in profit or loss (note 26) (2+3)=(4)	1	0	1	3	1	3
Re-measurements						
Acquisition adjustments (4A)	(0)		(0)			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0	(0)	-	1	(1)
(Gain)/loss from changes in demographic assumptions (6)	0	-	0	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	-	-	-	-	-	-
Experience (gains)/losses (7)	3	-	3	(0)	-	(0)
Sub-total (4A+5+6+6A+7)=(8)	**3**	**0**	**3**	**(0)**	**1**	**(1)**
Expenses/(Income) included in OCI out of (8) above	**(0)**	**0**	**(0)**	**-**	**-**	**-**
Contributions by employer (9)	-	0	(0)	-	2	(2)
Contribution by plan participation/ employees (10)	-	-	-	3	3	-
Settlements/ (Transfer in) (11)	-	-	-	5	5	-
Benefits paid (12)	(0)	(0)	-	-	-	-
Sub-total (9+10+11+12)=(13)	**(0)**	**(0)**	**(0)**	**8**	**10**	**(2)**
March 31, 2017 (1+4+8+13)	**10**	**6**	**4**	**22**	**22**	**0**

The Company expects to contribute Rs. 4 (March 31, 2017: Rs. 5) to gratuity in 2017-18. The Company expects to contribute Rs. 3 (March 31, 2017: Rs. 3) to PF in 2017-18.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:-

(Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unquoted investments:				
Insurance Company Products	6	6	-	-
Government securities as defined under PF rules	-	-	32	22
Total	**6**	**6**	**32**	**22**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

The principal assumptions used in determining gratuity and PF for the Company are shown below: (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	%	%	%	%
Discount rate	7.90	7.50	7.60	6.89
Future salary increases	7.00	7.00	-	-
	Years	Years		
Life expectation for	**39.03**	**39.86**	**39.22**	**39.15**

Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 is as shown below:

Gratuity Plan: (Amount in ₹)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on defined benefit obligation	0	0	(0)	(0)	(0)	(0)	0	0
Impact on defined benefit obligation (Change in %)	3%	3%	(3%)	(3%)	(3%)	(3%)	3%	3%

PF: (Amount in ₹)

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on defined benefit obligation	1	1	(0)	(0)	(0)	(0)	2	1
Impact on defined benefit obligation (Change in %)	3%	3%	(1%)	(2%)	(1%)	(1%)	6%	6%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	6	8	12	8
Between 2 to 5 years	2	1	7	5
Between 6 to 10 years	1	1	13	9
Beyond 10 years	4	3	24	17
Total expected payments	**13**	**13**	**56**	**39**

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 4 years (March 31, 2017: 4 years) and for PF at the end of the reporting period is 4 years (March 31, 2017: 4 years).

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

29. Share – based payments

Under the employee stock option scheme, share options of the Company are granted to certain senior executives of the Company with more than 12 months of service. In all the cases, the exercise price of the share options is lower than the market price of the underlying shares on the date of grant. The share options vest if and when the Company achieve targeted share price and on achievement of individual performance by employees which will be vested over a period of 5 years.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

	March 31, 2018	March 31, 2017
Expense arising from equity-settled share-based payment transactions	1	2
Total expense arising from share-based payment transactions	**1**	**2**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

(Amount in ₹)

	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	2,81,000	192.35	4.22.,000	158.84
Granted during the year	-	-	-	-
Exercised during the year	(98,000)1	134.82	(1,23,000)2	114.62
Expired/ Lapsed during the year	(48,000)	105.50	(18,000)	105.50
Outstanding at the end of the year	1,35,000	272.66	2,81,000	192.35
Exercisable at the end of the year	-	-	-	-

[1]The weighted average share price at the date of exercise of these options is Rupees. 2,545.57

[2] The weighted average share price at the date of exercise of these options is Rupees 1,935.77

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 5.43 years (March 31, 2017: 4.57 years).

The weighted average fair value of options granted during the year was Rs. Nil(March 31, 2017: Rs. Nil).

The range of exercise prices for options outstanding at the end of the year is Rupees 105.50/- each option to Rupees 383.53/- each option (March 2017: Rupees 105.50/- each option to Rupees 383.53/- each option).

As per Scheme of arrangement and amalgamation amongst Odisha Cement Limited ("ODCL" or "Company"), Dalmia Bharat Limited ("DBL") and Dalmia Cement (Bharat) Limited ("DCBL") and their respective shareholders and creditors, in lieu of every 1 (one) stock option held by the Eligible Employees under the DBL ESOP Scheme 2011 (whether vested or unvested) the Company shall grant 2 (Two) new stock options ("New Options") to the Eligible Employees and the existing stock options held by them under the DBEL ESOP Scheme 2011 shall stand cancelled The terms and conditions of the new options so granted shall not be less favourable than those provided under the DBEL ESOP Scheme 2011.

The following table list the inputs to the models used for the plan for the year ended March 31, 2018 and March 31, 2017:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rupees) for each	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

30. Finance Lease

The Company has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(Amount in ₹)

	March 31, 2018		March 31, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	1	1	1	1
After one year but not more than five years	3	2	4	3
more than five years	-	-	-	-
Total minimum lease payments	4	3	5	4
Less: amounts representing finance charges	(1)	-	(1)	-
Present value of minimum lease payments	3	3	4	4

31. Capital and Other commitments

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1	1

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

32. Contingent liabilities (Not provided for) in respect of:

(Amount in ₹)

S. No.	Particulars	March 31, 2018	March 31, 2017
a)	Claims against the Company not acknowledged as debts	-	-
b)	Guarantee/ Counter Guarantees given to banks on account of loan given by the banks to Bodies Corporate (Subsidiary Company)	-	75

33. Related Party transactions

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

Related Parties where control exists:

(i) Subsidiaries of the Company

Dalmia Cement (Bharat) Limited, Dalmia Power Limited and Kanika Investment Limited (upto September 17, 2017).

(ii) Step down Subsidiaries of Company

Arjuna Brokers & Minerals Limited (upto January 29, 2018), Calcom Cement India Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Golden Hills Resort Private Limited, Hemshila Properties Limited, Ishita Properties Limited, JayeVijay Agro Farms Private Limited, Rajputana Properties Private Limited, Shri Radha Krishna Brokers & Holdings Limited (upto January 29, 2018), Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Bangaru Kamakshiamman Agro Farms Private Limited, Alsthom Industries Limited (w.e.f. December 12, 2016), Chandrasekara Agro Farms Private Limited (w.e.f. January 20, 2018), Cosmos Cement Limited, OCL China Ltd, OCL Global Limited, RCL Cements Limited, SCL Cements Limited, Sutnga Mines Private Limited and Vinay Cement Limited.

Other Related parties:

(i) Associate of the Subsidiary company

Dalmia Renewables Energy Limited (w.e.f. February 06, 2017).

(ii) Joint Ventures of the Subsidiary and step down subsidiary company

Khappa Coal Company Private Limited, Radhikapur (West) Coal Mining Private Limited.

(iii) Key Management Personnel of the Company

Shri Jai Hari Dalmia- Non- Executive Director, Shri Yadu Hari Dalmia- Non- Executive Director, Shri Gautam Dalmia-Managing Director, Shri Puneet Yadu Dalmia- Managing Director, Shri D.N. Davar- Non- Executive Director, Shri Jayesh Doshi- Whole time Director & CFO, Shri P.K. Khaitan- Independent Director, Shri N. Gopalaswamy- Independent Director, Shri V.S. Jain- Independent Director and Smt. Sudha Pillai- Independent Director.

(iv) Enterprises controlled by the Key Management Personnel of the Company (with whom transactions have taken place during the year)

Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Dalmia Bharat Group Foundation, Glow Home Technologies (P) Limited, Shri Nirman Limited, Shri Chamundeswari Minerals Limited and Kanika Investment Limited (w.e.f. September 18, 2017).

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

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

(Amount in ₹)

Name of Related Party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Dividend received	Interest Income	Dividend paid	Sale of Investment	Security Deposit given	Security Deposit refunded	Director's Sitting Fees and commission	Managerial Remuneration	Balance adjusted on account of Scheme of Arrangement and Amalgamation	Loans and advances received back	Loans and advances given
Dalmia Cement (Bharat) Limited	Subsidiary	-	1	0	92	20	36	-	-	0	0	-	-	57	237	1
		-	(1)	(1)	(78)	-	(39)	-	-	-	-	-	-	(20)	-	(232)
Dalmia refractories limited	KMP Controlled	-	-	-	3	-	-	-	-	-	-	-	-			-
		-	-	(0)	(2)	-	-	-	-	-	-	-	-			-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	3	0	0	21	3	-	0	-	-	-	-	-			-
		(2)	(0)	(0)	(15)	-	-	-	-	-	-	-	-			-
Alsthom Industries Limited	Step- down Subsidiary	-	-	-	0	-	-	-	-	-	-	-	-			-
		-	-	-	-	-	-	-	-	-	-	-	-			-
Calcom Cement India Limited	Step- down Subsidiary	-	-	-	8	-	-	-	-	-	-	-	-			-
		-	(0)	(0)	(8)	-	(0)	-	-	-	-	-	-			-
Dalmia Power Limited	Subsidiary	-	-	-	-	-	5	-	-	-	-	-	-			217
		-	-	-	-	-	(3)	-	-	-	-	-	-			(51)
Glow Home Technologies (P) Limited	KMP Controlled	0	-	-	-	-	-	-	-	-	-	-	-			-
		(0)	-	-	-	-	-	-	-	-	-	-	-			-
Kanika Investment Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-			-
		-	-	-	-	-	-	-	-	-	-	-	-			-
Shri Chamundeswari Minerals Limited	KMP Controlled	-	-	-	0	-	-	-	-	-	-	-	-			-
		-	-	-	-	-	-	-	-	-	-	-	-			-
Dalmia Group Holding	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-			-
		-	-	-	-	-	-	-	-	-	-	-	-			-
Shri Nirman Limited	KMP Controlled	-	-	-	-	-	-	-	8	-	-	-	-			-
		-	-	-	-	-	-	-	-	-	-	-	-			-
Shri Gautam Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-			-
		-	-	-	-	-	-	-	-	-	-	(0)	-			-
Shri J.H.Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	6			-
		-	-	-	-	-	-	-	-	-	-	-	(3)			-
Shri Puneet Yadu Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-			-
		-	-	-	-	-	-	-	-	-	-	(0)	-			-

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

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

(Amount in ₹)

Name of Related Party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Dividend received	Interest Income	Dividend paid	Sale of Investment	Security Deposit given	Security Deposit refunded	Director's Sitting Fees and commission	Managerial Remuneration	Balance adjusted on account of Scheme of Arrangement and Amalgamation	Loans and advances received back	Loans and advances given
Shri Y.H.Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	8			-
		-	-	-	-	-	-	-	-	-	-	-	(3)			-
Shri Jayesh Doshi	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(6)	-	-	-
Shri P.K. Khaitan	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-
Shri N. Gopalaswamy	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-
Shri V.S. Jain	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-
Smt. Sudha Pillai	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-
Total		3	1	0	124	23	41	0	8	0	0	0	18	57	237	218
		(2)	(1)	(1)	(103)	-	(42)	-	-	-	-	(0)	(12)	(20)	-	(283)

All figure in ( ) represent amount for the year ended March 31, 2017

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

C) Balance outstanding at year end: (Amount in ₹)

Name of Related Party	Nature of related party	Amounts payable	Loans receivable	Interest receivable	Trade receivable	Guarantee given
Dalmia Cement (Bharat) Limted	Subsidiary	166	184	32	18	-
		(109)	(421)	(37)	(12)	(75)
Alsthom Industries Limited	Step down Subsidiary	-	-	-	0	-
		-	-	-	-	-
Calcom Cement India Limited	Step down Subsidiary	-	-	-	1	-
		(0)	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	0	-	-	2	-
		-	-	-	(1)	-
Dalmia Power Limited	Subsidiary	-	275	4	-	-
		-	(58)	(2)	-	-
Dalmia Refractories Limited	KMP Controlled	-	-	0	0	-
		-	-	(0)	(0)	-
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-	-	-
		(0)	-	-	-	-
Grand Total		**166**	**459**	**36**	**21**	**-**
		(109)	(479)	(39)	(13)	(75)

All figures in ( ) represent balance outstanding as at March 31, 2017

Investment with related parties are disclosed in note 6. Outstanding guarantee given on behalf of subsidiary is disclosed in note 33 (F).

D) Transactions with key management personnel

Compensation of key management personnel of the Company:- (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits	15	9
Termination benefits	2	1
Post- employment gratuity	0	1
Share-based payment transactions	1	1
Total compensation paid to key management personnel	**18**	**12**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

E) Directors' interests in the Employees stock option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (Rs.)	March 31, 2018	March 31, 2017
			Number outstanding	Number outstanding
January 29, 2015	January 29, 2021	217.23	45,000	54,000
February 03, 2016	February 03, 2022	383.53	13,500	15,000
Total			**58,500**	**69,000**

F) Financial guarantees

Guarantee have been given by the Company as at year end against the loan outstanding amounting to Rs. Nil (March 31, 2017: 75) for its subsidiary Dalmia Cement (Bharat) Limited.

G) The Transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

34. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹)

	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
Financial assets carried at amortised cost				
Loans and advances to employees	2	1	2	1
Security deposit	3	2	3	2
Purchase consideration Receivable	0	0	0	0
Financial assets carried at fair value through profit or loss				
Investment in tax free bond	0	0	0	0
Investment in venture capital fund	4	5	4	5
Investment in other equity shares	41	38	41	38
Investment in mutual funds	242	44	242	44
Financial Liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	2	200	2	200

The Company assessed that investment in tax free bonds, trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, interest accrued but not due on borrowings, director's commission payable, capital creditors, are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

35. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

35. Fair value hierarchy (Contd.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018: (Amount in ₹)

Particulars	Carrying Value March 31, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2	-	-	2
Security deposit	3	-	-	3
Purchase consideration Receivable	0			0
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	2	-	-	2
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in tax free bond	0	0	-	-
Investment in venture capital fund	3	-	3	-
Investment in other equity shares	41	41	-	-
Investment in mutual funds	242	242	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017: (Amount in ₹)

Particulars	Carrying Value March 31, 2017	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	1	-	-	1
Security deposit	2	-	-	2
Purchase consideration Receivable	0	-	-	0
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	200	-	-	200
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	5	-	5	-
Investment in tax free bond	0	0	-	-
Investment in other equity shares	38	38	-	-
Investment in mutual funds	44	44	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

36. Financial risk management objectives and policies (Contd.)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee of amalgamated company. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in ₹)

	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2018		
INR	+ 50 BPS	-
INR	- 50 BPS	-
March 31, 2017		
INR	+ 50 BPS	(0)
INR	- 50 BPS	0

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10 (ii). The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(Amount in ₹)

Ageing	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	More than 180 days	Total
As at March 31, 2018						
Gross carrying amount (A)	17	1	-	0	4	22
Expected Credit Losses (B)	-	-	-	-	-	-
Net Carrying Amount (A-B)	**17**	**1**	**-**	**0**	**4**	**22**
As at March 31, 2017						
Gross carrying amount (A)	8	-	-	0	5	13
Expected Credit Losses (B)	-	-	-	-	0	0
Net Carrying Amount (A-B)	**8**	**-**	**-**	**0**	**5**	**13**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.
The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(Amount in ₹)

	Less than 1 Year	1 to 3 Years	3 to 5 years	More than 5 years	Total
As at March 31, 2018					
Borrowings	0	2	-	-	2
Trade payables	14	-	-	-	14
Other financial liabilities	172	-	-	-	172
As at March 31, 2017					
Borrowings	200	2	-	-	202
Trade payables	15	-	-	-	15
Other payables	113	-	-	-	113

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Long term borrowing	2	2
Short term borrowing	-	198
Current maturities of long term borrowings	-	-
Less : Cash and Cash Equivalents	4	3
Less : Current Investments	283	82
Net Debt	**(285)**	**115**
Equity	7,513	7,463
Capital and Net debt	**7,228**	**7,578**
Gearing ratio	(4%)	2%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
A. Statutory Auditors		
As an auditor		
i) Audit Fee	0	0
ii) Tax Audit Fees	0	0
iii) Other services	0	0
In other capacity		
i) Certification Fee	0	0
Reimbursement of expenses	0	0

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

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**-**	**-**

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

40. Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and Investments by the Loanee in the shares of the Company as required by clause 34 (3) of SEBI (listing obligations and disclosure requirements) Regulation 2015:-

(Amount in ₹)

Particulars	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year
	March 31, 2018		March 31, 2017	
Loans and Advances to subsidiaries				
Dalmia Power Limited	275	275	58	66
Dalmia Cement (Bharat) Limited	184	422	421	453

Note: Investment in subsidiaries and associates are disclosed in note 6 .

Following investments/ (disinvestments) were made in subsidiaries during the year.

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Dalmia Cement (Bharat) Limited	(293)	6
Kanika Investment Limited (up to September 17, 2017)	(2)	-

Outstanding guarantees given to subsidiaries during the year.

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Dalmia Cement (Bharat) Limited	-	75

41. The Company has given loans and capital advances to various companies. Loans/ advances outstanding as at year end is given in below mentioned table along with purpose of the loan/ advances as required u/s 186(4) of the Companies Act 2013.

(Amount in ₹)

Name of company	Amount outstanding	
	As at March 31, 2018	As at March 31, 2017
Short Term Loan given for general corporate purpose		
Rewas Ports Limited (10% p.a.)	30	30
Dalmia Cement (Bharat) Limited (9% p.a.)	184	421
Dalmia Power Limited (9% p.a.)	268	51
Long term Loan given for general corporate purpose		
Dalmia Power Limited (9% p.a.)	7	7
Long term Loan given for employee welfare		
DBL Employee Welfare Trust (Interest free)	-	27

42. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the Company and its subsidiary from KKR Mauritius Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the Company on January 15, 2016 and by its shareholders in their EGM held on February 11, 2016

The Board of the Company vide its meeting held on April 20, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on April 21, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of Rs. 588 has been received by the Company and its subsidiary, from KKR on April 28, 2017. The said transaction has been accounted for as per the applicable accounting standard by reducing the said amount from the purchase price of equity shareholding of DCBL in the books of the Company and its subsidiary.

Notes to financial statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

43. Accounting and Disclosures for Schemes of Arrangement and Amalgamation:

Scheme 1 – Slump Sale of Business Undertakings of OCL and DCEL to the Company on going concern basis and Amalgamation of residual OCL, residual DCEL, SRSHL and DBCHL with the Company

(a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and provisions of Scheme 1 as approved by the Hon'ble NCLT.

(b) All the assets and liabilities of OCL and DCEL forming part of specified Business Undertakings as at January 1, 2015 (Appointed Date) have been transferred to the Company by way of slump sale on going concern basis.

(c) Subsequent to above slump sale, residual OCL (excluding specified Business Undertakings) and residual DCEL (excluding specified Business Undertakings), SRSHL and DBCHL shall be amalgamated with the Company from the Appointed Date.

(d) All the assets and liabilities of OCL, DCEL, DBCHL and SRSHL have been recorded by the Company at their fair value as on the Appointed Date.

(e) Loans and advances (including outstanding balances or other obligations) inter-se between the Transferor Companies and the Company stand cancelled.

(f) The Company has obtained fair valuation of certain intangible assets acquired from OCL & DCEL (amalgamated with the Company from the appointed date January 1, 2015). A sum of Rs. 1462 has been assigned to these intangible assets, based on the Purchase Price Allocation report obtained from an Independent Valuer.

(g) Upon effectiveness of Scheme 1, OCL, DCEL, SRSHL and DBCHL stand dissolved without winding up. The company has issued and allotted (a) equity shares to the shareholders of OCL, in the ratio of 1:1, which is being listed on National Stock Exchange of India Limited and BSE Limited, pursuant to the merger of OCL into the Company; and (b) Optionally Convertible Redeemable Preference Shares to Dalmia Cement (Bharat) Limited ("DCBL") being the shareholder of DBCHL, pursuant to the merger of DCEL, SRSHL and DBCHL into the Company, considering the record date as on October 26, 2018. Pending share allotment as on 31st March 2018, the total amount including securities premium is shown as 'Share Capital Suspense Account'.

(h) The excess of fair value of shares to be issued as purchase consideration over the net assets including the intangible assets acquired from Transferor Companies, has been recorded as Goodwill represented by underlying intangible assets acquired on amalgamation.

(i) The Statement of Assets & Liabilities as at the Appointed Date, acquired & recorded by the Company pursuant to the Scheme 1 is set out below:

(Amount in ₹)

Assets Acquired	
Property, Plant & Equipment	2,219
Identified Intangible Assets	1,462
Capital Work in Progress	133
Other Non-Current Assets	84
Current Assets	1,332
Liabilities Assumed	
Non-Current Liabilities	(1,410)
Current Liabilities	(1,006)
Net Identifiable Assets (A)	**2,814**
Consideration for the above (B)	**4,344**
Goodwill on restructuring* (C) = (B-A)	**1,530**

*Goodwill amounting to Rs 1530 comprises of other intangible assets namely Assembled Workforce, Rail Access Rights, Incentives and Technical Knowhow

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

The above mentioned fair valuation of assets and liabilities is based on Purchase Price Allocation report issued by an independent Valuer.

(j) The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Transferor Companies are in the process of being transferred in the name of the Company.

Subsequently, the name of the Company is in the process of being changed to "OCL India limited"

Scheme 4 – Amalgamation of Erstwhile Dalmia Bharat Limited with the company and transfer of Specified Business Undertakings of the Company by way of slump exchange sale to DCBL on going concern basis

(i) Amalgamation of Erstwhile Dalmia Bharat Limited (DBL) with the Company

(a) (a) Pursuant to the scheme becoming effective, face value of all existing equity shares of Rupees 10/- each of the Company will be reduced to Rupees 2/- each, such that the number of issued and paid up equity shares of the Company remains unchanged (i.e. 5,69,00,220 shares) but the paid-up value of equity share capital of the Company is reduced from Rs. 57 to Rs. 11

(b) The amalgamation of erstwhile DBL with the Company has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and as per the provisions of Scheme 4 as approved by the Hon'ble NCLT.

(c) Save as provided in point (d) below, all the assets and liabilities recorded in the balance sheet as at January 1, 2015 (Appointed Date) of the erstwhile Dalmia Bharat Limited ("DBL") were recorded at their respective carrying amount by the Company in terms of provisions of approved NCLT Scheme.

(d) The Company has recorded Brand and Goodwill (having underlying intangible assets) upon amalgamation at their respective fair value. A sum of Rs. 1,782 and Rs 1333 have been assigned to the Brand and Goodwill (having underlying intangible assets) respectively, based on the Valuation report obtained from an Independent Valuer.

(e) Pursuant to Scheme 4 becoming effective, DBL stands dissolved without winding up. The Company shall issue and allot equity shares to the shareholders of DBL as on the record date, in the ratio of 2:1, which shall be listed on National Stock Exchange of India Limited and BSE Limited, pursuant to the merger of DBL into the Company. The company is in the process of fixing Record Date for the above issue of share.

(f) Details of assets and liabilities of erstwhile DBL, acquired & recorded by the Company, as at January 01, 2015 is as under:

(Amount in ₹)

Property Plant and Equipment	7
Intangible Assets	1,782
Goodwill having underlying Intangible Assets#	1,333
Investments	443
Other Assets	175
Liabilities	(30)
Value of net assets recorded by the Company [A]	3,710
Consideration Discharged [B]	20,799
Residual Goodwill * [C = B - A]	17,089

#Goodwill represents underlying intangible assets namely Knowhow of Rs. 1,333.

*Residual Goodwill of Rs 17,089 has been adjusted with Securities Premium (including securities premium recorded on issuance of shares pursuant to amalgamation) as per accounting treatment as specified in the NCLT approved scheme.

(g) Further 4,24,79,273 equity shares of face value of 2 each of the Company and 3,43,00,000 OCRPS of face value 10 each of the Company held by DCBL, shall stand cancelled and extinguished.

(h) Subsequently, upon the scheme becoming effective, name of 'OCL India Limited' (i.e., the new name to be given to the company in terms of Scheme 1 above upon the same becoming effective) shall be changed to 'Dalmia Bharat Limited'.

b) Transfer of Specified Business Undertakings of the Company to DCBL by way of slump sale

Subsequent to giving effect of the amalgamation of DBL with the Company as above, all the assets (including goodwill and/ or intangible assets recorded pursuant to Scheme 1 and Scheme 4) and liabilities forming part of specified Business Undertakings of the company as at January 1, 2015 (Appointed Date) have been transferred to DCBL pursuant to Slump Exchange on going concern basis. These assets & liabilities forming part of specified Business Undertakings have been recorded by DCBL as per Purchase Price Allocation report prepared by an independent valuer in accordance with Accounting Standard - 10 (AS 10) notified under Section 133 of the Companies Act, 2013 (Indian GAAP).

The consideration for the Slump Exchange of RS 6,200 shall be discharged by DCBL by issuing 79,794,080 equity shares of Rupees 10/- each fully paid up at a premium of Rupees 767/- per share to the Company on agreed terms and conditions for which Record Date is yet to be fixed.

The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Business Undertakings are in the process of being transferred in the name of DCBL.

Consequent to Schemes as mentioned above becoming effective, financial information in the financial statements of the Company for the previous financial year 2016-17 are restated with effect from April 1, 2016 (being the earliest period presented) to account for the Scheme of Arrangement and Amalgamation as per the requirement of Appendix C of Ind AS - 103 "Business Combination. The updation of these financial statements are restricted solely to give effect of the the matters related to the Scheme and no effect has been given for any other events, if any, occurring after May 18, 2018(being the date on which original standalone Ind AS financial Statements were approved by the Board of Directors of the Company.

44. The financial statements of the Company for the year ended March 31, 2018 were earlier approved by the Board of Directors at its meeting held on May 18, 2018 and reported upon by the statutory auditors vide their report dated May 18, 2018. The said accounts did not include the effect of:

a) Scheme of Arrangement and Amalgamation ("Scheme 1") amongst the Company, OCL India Limited (OCL), Dalmia Bharat Cements Holdings Limited (DBCHL), Dalmia Cement East Limited (DCEL) and Shri Rangam Securities & Holdings Limited (SRSHL), which involves (i) transfer and vesting of specified Business Undertakings of OCL and DCEL to the Company by way of slump sale on a going concern basis; (ii) amalgamation of residual OCL, residual DCEL, DBCHL and SRSHL with the Company; (c) change in name of the Company to 'OCL India Limited'; and

b) Scheme of Arrangement and Amalgamation ("Scheme 4") amongst the Company, erstwhile Dalmia Bharat Limited (DBL) and Dalmia Cement (Bharat) Limited (DCBL), which involved (a) reduction and reorganization of authorised, issued, subscribed and paid up share capital of the Company; (b) amalgamation of erstwhile DBL with the Company; (c) reduction of entire issued, subscribed and paid-up share capital of the Company held by DCBL; (d) Slump Exchange of specified Business Undertakings of the Company to DCBL; and (e) change in name of 'OCL India Limited' (i.e., the new name to be given to the Company in terms of Scheme 1 above upon the same becoming effective) to 'Dalmia Bharat Limited'.

c) The Company had taken all requisite steps towards fulfilment of various conditions mentioned in the Scheme including the procedural formalities for updating records for mining leases and in the larger benefit and interest of the stakeholders, the Board of Directors of the Company has approved to implement the aforesaid Schemes effective from the Appointed Date, (January 01, 2015).

d) Scheme 1 and Scheme 4 was implemented by the Board of Directors of all the transferor and transferee companies from October 26, 2018 and October 30, 2018 respectively. Accordingly, Scheme 1 and Scheme 4 became effective on October 26, 2018 and October 30, 2018 respectively. Upon the Schemes becoming effective, OCL, DECL, SRSHL, DBCHL and erstwhile DBL stands dissolved without winding up.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

In light of above, the Board of Directors have decided to update the financial statements/accounts of the Company for the year ended March 31, 2018 to incorporate the effect of the aforesaid Schemes and accordingly these financial statements have been updated for giving consequential effect to the Schemes.

45. The Company has spent amount on corporate social responsibility expenses as below:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Gross amount required to be spent during the year	1	1
Amount spent during the year		
- Construction/acquisition of any asset	-	-
- On purposes other than above	1	1

46. The Company had previously issued its financial statements for the previous year ended March 31, 2017 as on May 10, 2017. On Scheme 1 and 4 becoming effective during the year as described in note 43 of the financial statements, after the issuance of financial statements for the previous year, the comparative numbers for the previous year ended March 31, 2017 have been restated after incorporating the financial statements of the erstwhile fellow subsidiary, subsidiaries and step down subsidiaries according to the Scheme of Arrangement and Amalgamation

47. Segment Information

Management service charge is the only identifiable operating segment of the Company, Further, the entire sales of the Company are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 ('Operating Segments')

48. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115, Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Independent Auditors' Report

To The Members of
Odisha Cement Limited

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Odisha Cement Limited (herein referred to as 'the Holding Company'), its subsidiaries including step down subsidiaries, jointly controlled entities and associate company (collectively referred to as ' the Group') (Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Holding Company stands renamed as Dalmia Bharat Limited), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, consequent to approval of the Schemes by Hon'ble National Company Law Tribunal, Chennai Bench and implementation of other conditions of the various schemes (as more fully described in Note 51 to the consolidated Ind AS financial statements) with effect from January 01, 2015.

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group, including subsidiaries/step down subsidiaries, jointly controlled entities and its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder as amended.

   The respective Board of Directors of the companies included in the Group including subsidiaries/step down subsidiaries, jointly controlled entities and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, jointly controlled entities and its associate company and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group its associate and jointly controlled entity as at March 31, 2018, its consolidated profit (including other comprehensive income), its consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

6. The accompanying consolidated Ind AS Financial Statements have been prepared for the first time by the Group pursuant to various Scheme of Arrangement and Amalgamation, , approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide orders more fully described therein, with an appointed date of January 01, 2015. We further report that our audit procedures on the subsequent events in so far as those relate to the preparation of this consolidated Ind AS financial statements are restricted solely to the matters related to the Scheme and no effect has been given for any other events.

7. We draw attention to Note 51 of the accompanying consolidated Ind AS Financial Statements relating to Scheme of Arrangement and Amalgamation which describes that the Group had recognized goodwill arisen on giving impact of such Schemes during the financial year ended March 31, 2018, which is being amortized in accordance with the provisions of respective schemes from the respective appointed date, approved by the Hon'ble National Company Law Tribunal, Chennai Bench. As a result of above amortization of goodwill, profit before tax for the year ended March 31, 2018 is lower by Rs. 417 crores and for the year ended March 31, 2017 is lower by Rs. 486 crores.

8. Note 34 B to the consolidated Ind AS financial statements regarding the dispute between the minority shareholder and one of the subsidiary Company. The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017 and the application filed under Section 8 of the Arbitration and Conciliation Act, 1996 was allowed. The order of the NCLT has been challenged by the Bawri group before Hon'ble High Court of Guwahati in February, 2017. Interim Order Issued by Hon'ble High Court of Guwahati in the said appeal has been vacated by the Hon'ble Supreme Court in May 2017 and the appeals are pending adjudication before Hon'ble High Court at Guwahati. The issues between the parties are pending adjudication before the Arbitral Tribunal. Pending final resolution of the matter, no adjustments are considered necessary in these consolidated Ind AS financial statements.

   Our audit report is not qualified in respect of the above matters.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the Other auditors (component auditors).

9. Report on Other Legal and Regulatory Requirements

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

a) We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the Other Auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries/ step down subsidiaries, jointly controlled entities and associate company incorporated in India, none of the directors of the Group Companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Group with reference to consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" ;

g) In our opinion, and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other statutory auditors of the subsidiaries/step down subsidiaries, jointly controlled entities and associate incorporated in India, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Holding Company, its subsidiaries/step down subsidiaries, jointly controlled entities and associate company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, by the Other Auditors:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 A to the consolidated Ind AS financial statements.

   ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

10. Other Matters

i. We did not audit the Ind AS financial statements/financial information of 28 subsidiaries/ step down subsidiaries whose financial statements/financial information reflect total assets of Rs. 3,104.42 crores as at March 31, 2018, total revenue of Rs. 1,108.35 crores and net cash flow amounting to Rs 4.33 crores for the year ended on that date as considered in these consolidated Ind AS financial statements. These financial statements/ financial information have been audited by Other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ step down subsidiaries, and our report in terms of sub-section(3) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/ step down subsidiaries is based solely on the report of the Other Auditors.

ii. The consolidated Ind AS financial statements also include the Group's share of profit including other comprehensive income in respect of one associate company and one jointly controlled company of Rs. Nil and Rs. 0.10 crore respectively for the year ended March 31, 2018 as considered in the consolidated financial statements. These financial statements/financial information have been audited by Other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and jointly controlled company, and our report in terms of sub-section(3) of section 143 of the Act, insofar as it relates to the aforesaid associate and jointly controlled company, is based solely on the report of the Other Auditors.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN : 000756N

Sunil Wahal
Partner
M. No. 087294

Place: New Delhi
Date: October 30, 2018

Annexure A to the Independent Auditor's Report to the Members of Odisha Cement Limited dated October 30, 2018 on its consolidated Ind AS financial statements

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

Our reporting on the internal financial control with reference to consolidated Ind AS financial statement is not applicable in respect of two step down audited subsidiaries incorporated outside India.

In conjunction with our audit of the consolidated Ind AS financial statements of Odisha Cement Limited as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls with reference to Consolidated Ind AS financial statement of Odisha Cement Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entity, all incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements based on our audit.

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in term of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group have maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company including subsidiaries/step down subsidiaries, its associate and jointly controlled entity are incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements insofar as it relates to twenty six subsidiaries/step down subsidiaries, one associate Company and one jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our audit report is not qualified in respect of above matters.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN : 000756N

Sunil Wahal
Partner
M. No. 087294

Place: New Delhi
Date: October 30, 2018

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Consolidated Balance Sheet as at March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	9,125	9,450
Capital work-in-progress	2B	168	128
Investment properties	3 (a)	0	0
Goodwill and other intangible assets	3 (b)	4,912	6,066
Intangible assets under development	3 (c)	0	0
Biological assets other than bearer plants	3 (d)	0	0
Investments	4	93	93
Financial assets	5		
(i) Investments		4	6
(ii) Loans		10	76
(iii) Other financial assets		632	434
Income tax assets	6	97	86
Other non-current assets	7	133	147
		15,174	**16,486**
Current assets			
Inventories	8	779	652
Financial assets	9		
(i) Investments		3,408	2,641
(ii) Trade receivables		524	530
(iii) Cash and cash equivalents		323	138
(iv) Bank balance other than (iii) above		31	37
(v) Loans		85	42
(vi) Other financial assets		731	461
Income tax assets	10	25	-
Other current assets	11	256	275
		6,162	**4,776**
Total assets		**21,336**	**21,262**
EQUITY AND LIABILITIES			
Equity			
Share capital suspense account	12	6,654	6,654
Other equity	13	3,681	2,975
		10,335	**9,629**
Non controlling interest		(30)	(29)
Non-current liabilities			
Financial liabilities	14		
(i) Borrowings		5,459	6,254
(ii) Other financial liabilities		5	1
Provisions	15	88	140
Deferred tax liabilities (net)	16	1,422	1,372
Government grants	17	120	112
		7,094	**7,879**
Current liabilities			
Financial liabilities	18		
(i) Borrowings		863	1,233
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		6	1
- total outstanding dues of creditors other than micro enterprises and small enterprises		927	889
(iii) Other financial liabilities		1,572	1,198
Government grants	17	22	8
Other current liabilities	19	479	367
Provisions	20(a)	66	85
Current tax liabilities	20(b)	2	2
		3,937	**3,783**
Total equity and liabilities		**21,336**	**21,262**
Significant accounting policies	1		

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

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as DALMIA BHARAT LIMITED

Statement of Consolidated Profit and Loss for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	21	8,828	8,340
Other income	22	278	296
Total Income (I)		**9,106**	**8,636**
Expenses			
Cost of raw materials consumed	23	1,401	1,137
Purchase of traded goods		166	36
Change in inventories of finished goods, work in progress and stock in trade	24	18	88
Excise duty on sale of goods		247	893
Employee benefits expenses	25	618	591
Finance costs	26	690	856
Depreciation and amortisation expenses	2 & 3	1,213	1,226
Freight on clinker transfer		84	42
Other expenses	27	4,280	3,659
Total expenses (II)		**8,717**	**8,528**
Profit before tax (I-II)		**389**	**108**
Tax expense	16		
Current tax		108	74
Deferred tax/ (Credit)		17	15
Current income tax for earlier years		(28)	(15)
Deferred tax for earlier years		1	-
Total tax expense		**98**	**74**
Profit/ (loss) after tax before share of profit in associates, joint venture and non controlling interest		**291**	**34**
Add: Share of profit in associates and joint venture		0	0
Less: Share of non controlling interest		(1)	(10)
Profit after tax (A)		**292**	**44**
Attributable to:			
Equity holders of the parent		293	54
Non controlling interests		(1)	(10)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans		5	(2)
- Fair value gain on investments		442	37
(ii) Income tax relating to items that will not be reclassified to profit or loss	16	(2)	(12)
B (i) Items that will be reclassified to profit or loss			
- Cumulative translation difference		3	-
Other comprehensive income for the year, net of tax (B)		**448**	**23**
Attributable to:			
Equity holders of the parent		**448**	**23**
Non controlling interests		(0)	(0)
Total comprehensive income for the year (A+B)		**740**	**67**
Total comprehensive income for the year			
Equity holders of the parent		741	77
Non controlling interests		(1)	(10)
Earning per share	28		
Basic earnings per share (In Rupees)		15.18	2.29
Diluted earnings per share (In Rupees)		15.10	2.27
Significant accounting policies	1		

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

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as DALMIA BHARAT LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Net Profit before tax	**389**	**108**
Adjustments		
Depreciation/amortisation	1,213	1,226
Provision for doubtful debts/advances	3	5
Bad debts written off	2	2
Unwinding of interest income on financial instruments	(54)	(47)
Dividend Income	(28)	(16)
Finance costs	690	856
Interest income	(55)	(33)
Fair value gain on investments	(27)	(74)
(Profit)/loss on sale of investments (net)	(110)	(110)
Assets written off/Loss on sale of property, plant & equipment	4	5
Share of profit of an associate and a joint venture	0	-
Operating profit before working capital changes	**2,027**	**1,922**
Adjustments for working capital changes :		
Inventories	(127)	14
Trade payables, liabilities and provisions	87	74
Trade receivables, loans and advances and other current assets	(421)	(116)
Cash generated from operations	**1,566**	**1,894**
Income tax paid	(82)	(19)
Net cashflow from operating activities	**1,484**	**1,875**
B. Cash Flow from / (used in) investing activities		
Purchase of property, plant & equipment and Intangible assets	(401)	(416)
Proceeds from sale of property, plant & equipment	9	24
(Purchase)/ Sale of current investments (net)	(147)	139
(Purchase)/ Sale of Non current investments (net)	(2)	11
Proceeds from erstwhile shareholder of the subsidiary company	588	-
Fixed deposits (placed)/matured (having original maturity of more than three months)	7	18
Interest received	105	69
Dividend received from current investments	28	16
Net cashflow from / (used in) investing activities	**187**	**(139)**

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as DALMIA BHARAT LIMITED

Cash Flow Statement for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

(Amount in ₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from / (used in) financing activities		
Proceeds / (repayment) from short term borrowings (net)	(370)	147
Proceeds / (repayment) from long term borrowings (net)	(342)	(1,047)
Proceeds from issue of shares	4	(39)
Finance cost	(745)	(810)
Dividend paid (Including dividend distribution tax)	(33)	-
Net cashflow from / (used in) financing activities	**(1,486)**	**(1,749)**
Net increase in cash and cash equivalents (A+B+C)	**185**	**(13)**
Cash and cash equivalents at the beginning of the year	138	151
Cash and cash equivalents at the end of the year	**323**	**138**

Note:

1) Changes in liabilities arising from financing activities:

(Amount in ₹)

Particulars	As at April 1, 2017	Cash flows	Fair value changes	Others	As at March 31, 2018
Non current borrowings	6,806	(489)	(10)	96	6,403
Current borrowings (Refer note 18(i))	1,233	(377)	3	4	863

2) Cash & cash equivalents components are as per Note 9 (iii) of these Consolidated Financial Statements

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

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
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Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

ODISHA CEMENT LIMITED

Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act, 2013, the Company stands renamed as

DALMIA BHARAT LIMITED

Consolidated Statement of Change in Equity for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

a. Share capital suspense account:

Share capital suspense (refer note 12)	Rs.
As at April 1, 2016	6,654
Change during the year	0
As at March 31, 2017	6,654
Change during the year	0
As at March 31, 2018	6,654

b. Other equity:

(Amount in ₹)

Particulars	Reserve and surplus								Other comprehensive income			Total other equity
	Foreign currency translation reserve	Securities premium	Capital reserve	General reserve	Reserve fund as per RBI	Debenture redemption reserve	Retained earnings	Employee stock option outstanding	Currency translation reserve	Fair valuation gain on investments	Re-measurement of post employment benefit obligation	
As at April 01, 2016	1	1,076	279	3	0	210	1,316	9		16	(2)	2,908
Profit/ (Loss) for the year							44					44
Other comprehensive income										24	(1)	23
Total comprehensive income		-	-	-	-	-	44	-	-	24	(1)	67
Add: Addition during the year	(3)	-	-	0	-	182	-	3				182
Less: released during the year		-	-	-	-	(29)		-				(29)
Add: Amount transferred from debenture redemption reserve							29					29
Less: Appropriations												-
Transfer to debenture redemption reserve							(182)					(182)
Transfer to other comprehensive income	2								(2)			-
As at March 31, 2017	0	1,076	279	3	0	363	1,207	12	(2)	40	(3)	2,975
Profit/ (Loss) for the year							292					292
Other comprehensive income									3	442	3	448
Total comprehensive income		-	-	-	-	-	292	-	3	442	3	740
Add: Addition during the year		(1)	-	(0)	-	38		2	-			39
Less: released during the year		-	(2)	-	(0)	(131)			-			(133)
Add: Amount transferred from debenture redemption reserve							131					131
Less: Appropriations												-
Transfer to debenture redemption reserve							(38)					(38)
Dividend paid							(27)					(27)
Dividend distribution tax							(6)					(6)
As at March 31, 2018		1,075	277	3	-	270	1,559	14	1	482	0	3,681

For description of the purposes of each reserve within equity, refer note 13 of these consolidated financial statements.

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

Gautam Dalmia
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Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Notes to Consolidated Financial Statements for the year ended March 31, 2018

1. Significant Accounting Policies

A. Corporate Information

The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act. The Group is engaged in the manufacturing and selling of cement. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

Pursuant to the Scheme of Amalgamation sanctioned by the NCLT, Division Bench, Chennai, Erstwhile Dalmia Bharat Limited (DBL) (Transferor Company) amalgamated with Odisha Cement Limited (Transferee Company) with the appointed date as January 1, 2015 and subsequently the Transferee Company was renamed from "Odisha Cement Limited" to "Dalmia Bharat Limited", with effect from October 30, 2018 refer note 51 for Accounting and Disclosures for Schemes of Arrangement and Amalgamation.

The Consolidated financial statement relate to Odisha Cement Limited (hereinafter referred as the "Company/ Parent", The Company stands renamed as Dalmia Bharat Limited pending approval u/s 13 of the Companies Act, 2013) and its Subsidiaries/ step down subsidiaries, Associate and Joint Venture (hereinafter collectively referred as the "Group").

The financial statements for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on October 30, 2018, refer note 52 for details related to updation in financial statements approved by the directors on May 18, 2018

B. Basis of preparation of financial statements

Statement of compliance

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the Securities and Exchange Board of India('SEBI'), as applicable.

The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Investment in mutual funds measured at fair value regarding financial instruments
- Share based payments and
- Certain financial assets and liabilities measured at fair value

The financial statements are presented in Indian Rupee (Rs.) and all the values are rounded off to the nearest Crores, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees fifty lakhs.

C. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, Investments in Associates and Joint Ventures as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

D. Goodwill on consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.

E. Classification of assets and liabilities into current/non-current

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

F. Foreign currency translation

Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of consolidated profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of such asset Exchange rate differences arising on other long term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item..

Foreign Operations

The assets and liabilities, including goodwill and any fair value adjustments arising on the acquisition of a foreign operation whose functional currency is not the Indian Rupee, are translated by using the closing rate.

The exchange differences arising on the translation are recorded in other comprehensive income under "Foreign currency translation". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recorded in equity is recognized in the statement of income.

In accordance with Ind AS 101, cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only differences arising after the transition date.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment, financial guarantee received from the holding Company. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Financial instruments (including those carried at fair value and carrying value)
- Property, plant and equipment carried at fair value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax ('VAT')/ service tax/ Goods and Service Tax ('GST') are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and therefore, these are not an economic benefit flowing to the Company. Accordingly, these are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Group provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released.

Revenue from services

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

Interest

Interest income is recognized using effective interest rate method. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

Insurance claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

I. Government grants and subsidies

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income are deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Group has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are included in non-current liabilities as Government grant and are credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets and presented within other income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the respective entity with no future related costs are recognised in the statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Other government grants are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the respective entity will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

J. Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Income Tax

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associate and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilised. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

K. Property, plant and equipment

The Group has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Group has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The Group capitalise machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013 except in case of certain diesel generator sets and workshop appliances and lab equipment.

Asset	Useful Life
Lease hold land	30 to 99 years
Factory buildings	25 to 30 years
Non-factory buildings	03 to 60 years
Certain DG sets and workshop appliances	5 years
Other plant and equipment	1 to 25 years
Plant and equipment related to Captive Power Plant	25 years
Mines related assets	4 to 8 years
Electrical items	5 to 10 years
Lab Equipment	15 years
Assets of its step down subsidiary OCL China Limited	
House and Building	20 years
Plant and Equipment	10 years
Means of Transportation	4 years
Electronic Equipment	3 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates these items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Land bearing mineral reserves are amortized over their estimated commercial life based on the unit of production method. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

L. Intangible assets

(i) Goodwill arising as per Scheme of Arrangement and Amalgamation approved by High Court/ NCLTs.

a) Goodwill arisen pursuant to scheme of amalgamation and arrangement (Scheme -2) has been recognised in accordance with Scheme approved by NCLT. Said goodwill has been amortised in accordance with Scheme 2 approved by NCLT over a period of 5 years.

b) Goodwill arisen pursuant to scheme of amalgamation and arrangement (Scheme -3) has been recognised in accordance with Scheme approved by NCLT. Said goodwill is initially measured, being the excess of cost of investment in ACL cancelled over net identifiable assets. (Refer note 51 of consolidated financial statement).

Goodwill and other intangible assets, acquired pursuant to scheme 4 by way of slump exchange has been recognised in accordance with Scheme as approved by NCLT. Said goodwill and other intangible assets have been amortised in accordance with approved Scheme 4 over a period of 5 years and 10 years respectively

The subsequent measurement is at deemed cost less any accumulated impairment losses. The said goodwill is not amortised and is tested for impairment annually.

(ii) Mining rights

a) Mining rights acquired in scheme of Amalgamation and Arrangement by the company has been transferred to its subsidiary DCBL (refer note 51) by way of Merger and slump exchange has been recognised at fair value in accordance with Scheme 1 & 4 approved by NCLT. Said mining rights are amortised over their estimated commercial life based on the unit of production method.

b) Mining rights include present value of the expected cost for decommissioning of the asset and are amortised over residual economic life estimated as per the mining plan or finite life, whichever is lower.

Net carrying value of mining rights as on transition date to Ind AS i.e. April 1, 2015 has been considered as deemed cost.

(iii) Brands and Raw materials procurement rights acquired in scheme of Amalgamation and Arrangement by the company has been transferred to its subsidiary DCBL (refer note 51) by way of merger and slump exchange have been recognised at fair value in accordance with Scheme 1 &4 approved by NCLT. Said intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis, based on the respective estimate of useful lives as given below:

Type of Intangible Asset	Useful life (in years)
Brands	20 and 27 years
Raw Materials procurement rights (other than limestone)	3.25 and 26.50 years

Net carrying value of brands, clinker procurement rights and slag procurement rights as on transition date to Ind AS i.e. April 1, 2015 have been considered as deemed cost.

(iv) Other intangible assets

The Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of computer software is estimated as 3 years to 10 years and accordingly amortised over its useful life.

Research and Development Expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

M. Investment properties

Investment properties comprises freehold land that are held for capital appreciation and recognised at cost less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

N. Non-current assets held for sale

The non-current asset classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

O. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that

necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Expenses incurred on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as borrowing costs as and when paid.

P. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Lease management fees, legal charges and other initial direct costs of lease are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Embedded leases

All take-or-pay long term contracts are reviewed at inception to determine whether they contain any embedded leases. If there are any embedded leases, they are assessed as either finance or operating leases and accounted for accordingly.

Q. Inventories

Raw materials (including packing material), stores and spares are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials (including packing material) and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes excise duty. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

R. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or countries in which the entity operates, or for the market in which the asset is used.

In respect of subsidiaries

Subsidiary companies bases their impairment calculation on fair value less cost to sell. The fair value less cost to sell is computed using the composite rate method based on the demand, location, structural conditions, state of repairs and present condition of the assets reduced by depreciation.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

S. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine reclamation liability

The Company records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of goods sold.

T. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss whenever services are rendered. The group has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The group operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

U. Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee stock option outstanding in equity.

V. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

(i) Debt instruments at amortised cost

(ii) Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 9.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

  The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

  For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 12.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

W. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

X. Segment reporting

Identification of segments

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

Y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Z. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

AA. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

2A. Property, plant and equipment

(Amount in ₹)

	Land (free hold)	Land (lease hold)	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
Cost									
As at April 1, 2016	971	70	1,076	8,055	16	21	28	46	10,283
Addition during the year	16	-	113	238	4	3	9	-	383
Less: Disposals/ Adjustments during the year	-	-	3	21	0	0	2	-	26
Exchange difference		(1)	(1)	(8)	0	(0)	(0)		(10)
As at March 31, 2017	**987**	**69**	**1,185**	**8,264**	**20**	**24**	**35**	**46**	**10,630**
Additions on acquisitions									-
Additions during the year	48	-	43	221	2	2	7	1	324
Less: Disposals/ Adjustments during the year	-	-	1	13	-	1	1	-	16
Loss on impairment	-	-	0	0	-	-	-	-	0
Reclassification	-	-	(8)	7	1	-	-	-	-
Exchange difference	-	1	2	7	-	-	-	-	10
Less: Assets held for sale	-	-	-	1	-	-	-	-	1
FCTR									-
As at March 31, 2018	**1,035**	**70**	**1,221**	**8,485**	**23**	**25**	**41**	**47**	**10,947**
Depreciation/ Amortization (Refer Note 58)									
As at April 1, 2016	4	3	67	495	2	3	6	7	587
Additions on acquisition									-
Charge for the year	5	3	60	508	2	4	8	10	600
Less: on disposals	-	-	0	4	0	0	1	-	5
Exchange difference		(0)	(0)	(2)	(0)	(0)	(0)		(2)
As at March 31, 2017	**9**	**6**	**127**	**997**	**4**	**7**	**13**	**17**	**1,180**
Charge for the year	7	3	62	552	3	4	8	7	646
Less: on disposals	-	-	0	5	0	1	1	-	7
Reclassification Adjustments	-	-	(0)	(0)	0	-	0	-	0
Less: Assets held for sale				0					0
Exchange difference		0	1	2		0	0		3
As at March 31, 2018	**16**	**9**	**190**	**1,546**	**7**	**10**	**20**	**24**	**1,822**
Net Block									
As at March 31, 2018	**1,019**	**61**	**1,031**	**6,939**	**16**	**15**	**21**	**23**	**9,125**
As at March 31, 2017	**978**	**63**	**1,058**	**7,267**	**16**	**17**	**22**	**29**	**9,450**

1. The Group has pledged certain assets against borrowings which has been disclosed in note 14. (i)
2. Registration of land amounting to Rs. 22 (March 31, 2017: Rs. 29) is pending in the name of the Group.
3. Registration of Building amounting to Rs. 41 (March 31, 2017: Rs.43) is pending in the name of the Group.
4. In terms of Scheme of Arrangement and Amalgamation as per note 51 , the title deeds of immovable properties are in the process of being transferred in the name of the subsidiaries Company.
5. In terms of Scheme of Arrangement of Adhunik Cement Limited and Adhunik MSP (Cement) Limited with the Company's subsidiary Dalmia Cement Bharat Limited as per Scheme 3 and transfer of Power Undertakings of DCB Power Ventures Limited as per Scheme 2 and specified buisness undertakings acquired in scheme of amalgamation and arrangement by the the company has been transferred to its subsidiary to Dalmia Cement Bharat Limited (refer note 51), the title deeds of immovable properties are in the process of being transferred in the name of the Company.
6. Disposals from Plant and equipment during the year include equipment having gross block of March 31, 2018: Rs. 0 (March 31, 2017: Rs. 3) and accumulated depreciation March 31, 2018: of Rs. 0 (March 31, 2017: Rs. 1) transferred to 'Assets held for sale'. Out of these amount recognised in Asset Held for Sale March 31, 2018 is Rs 0 and March 31, 2017 is Rs 0.

2B. Capital work-in-progress (CWIP)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Movement of capital work in progress		
Opening	128	235
Additions during the year	277	161
Capitalised during the year	(237)	(268)
Closing	**168**	**128**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

3 (a) Investment property

3 (b) Goodwill and other intangible assets

3 (c) Intangible assets under development

3 (d) Biological Assets other than bearer plants

(Amount in ₹)

	3 (a) Investment Property#	3 (b) Goodwill and other intangible assets					
		Goodwill*	Computer software	Mining Rights**	Raw Materials Procurement Rights ***	Brands ****	Total
Cost							
As at April 1, 2016	0	3,767	9	1,166	279	1,973	7,194
Addition during the year	-	-	2	9	-	-	11
Less: Disposals during the year	-	-	0	-	-	-	0
Other adjustments - Exch diff		-	-	-	-	-	-
As at March 31, 2017	**0**	**3,767**	**11**	**1,175**	**279**	**1,973**	**7,205**
Additions during the year	-	-	1	-	-	-	1
Less: Disposals during the year	-	588	-	-	-	-	588
As at March 31, 2018	**0**	**3,179**	**12**	**1,175**	**279**	**1,973**	**6,618**
Depreciation/ Amortization (Refer Note 58)							
As at April 1, 2016	-	375	3	38	21	76	513
Charge for the year	-	486	3	40	21	76	626
Less: on disposals	-	-		-	-	-	-
As at March 31, 2017	**-**	**861**	**6**	**78**	**42**	**152**	**1,139**
Charge for the year	-	417	3	50	21	76	567
Less: on disposals	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**1,278**	**9**	**128**	**63**	**228**	**1,706**
Net Block							
As at March 31, 2018	**0**	**1,901**	**3**	**1,047**	**216**	**1,745**	**4,912**
As at March 31, 2017	**0**	**2,906**	**5**	**1,097**	**237**	**1,821**	**6,066**

#The Group's investment properties consist of a freehold lands for capital appreciation. The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

#There is no material expenses incurred for the maintenance of investment properties nor income derived out of the same.

* Goodwill includes goodwill pursuant to scheme of amalgamation and arrangement (note 51) and goodwill on consolidation.

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Group generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements's best estimate about future developments.

** Mining Rights

(a) The Group has recorded mining rights generated in the scheme of amalgamation and arrangement (Scheme 3) Dalmia Cement (Bharat) Limited) at fair value of Rs. 194 on the appointed date January 1, 2015 (refer note 51 of the consolidated financial statements).

(b) One of the subsidiaries, Dalmia Cement (Bharat) Limited has recorded the mining rights in scheme of amalgamation and arrangement at Rs. 969 on appointed date i.e. January 1, 2015.The carrying value of such mining rights as on March 31, 2018 and March 31, 2017 is Rs. 845 and Rs. 891 respectively.

(c) Mining rights granted by various state Governments for a finite period and has been amortised on straight line basis, the expenditure on mining rights over its residual economic life estimated as per the mining plan or finite life whichever is lower.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

***Raw Material Procurement Rights

One of the subsidiaries, Dalmia Cement (Bharat) Limited has recorded value of Raw Materials Procurement Rights generated in scheme of amalgamation and arrangement based on the the fair valuation carried out by independent valuer as at the appointed date January 1, 2015 at an aggregate value of Rs. 284. These are amortised over the useful life of 3.25 years and 26.50 years as determined by the management which are based on validation by independent valuer. The carrying value of such minning rights as on March 31, 2018 is Rs. 16 and March 31, 2017 is Rs. 17.

**** Brands comprise:

One of the subsidiaries, Dalmia Cement (Bharat) Limited has recorded value of Brands generated in the scheme of amalgamation and arrangement based on the fair valuation carried out by the independent valuer as at the appointed date January 1, 2015 at an aggregate value of Rs. 1,991. These are amortised over the useful life of 20 years and 27 years as determined by the management which are based on validation by independent valuer. The carrying value of such brands as on March 31, 2018 is Rs. 1,743 (March 31, 2017: Rs. 1,820).

(Amount in ₹)

	3(c) Intangible assets under development		3 (d) Biological Assets other than bearer plants	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Movement of capital work in progress				
Opening	0	1	0	0
Additions during the year	-	-	-	-
Capitalised during the year	-	(1)	-	-
Closing	0	0	0	0

4. Investments

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Equity shares - at cost				
In Joint Venture (Unquoted)				
38,35,000 (March 31, 2017: 38,35,000) Shares of Rs.10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited	7		7	
1,836,500 (March 31, 2017: 1,836,500) Shares of Rs.10/- each fully paid up in Khappa Coal Company Private Limited	2		2	
Less: Impairment in the value of investment	5	4	5	4
Others (Quoted)				
14,829,764 (March 31, 2017: 14,829,764) Equity Shares of Rs. 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
Others (Unquoted)				
36,000 (March 31, 2017: 36,000) Equity Shares of Rs.10/- each fully paid up in G.S.Homes & Hotels Private Limited		1		1
374 (March 31, 2017: 374) Equity Shares of Rs.10/- each fully paid up in SmarterHealth TechServe Private Limited		0		0
374 (March 31, 2017: 374) Equity Shares of Rs.10/- each fully paid up in Pumpcharge Internet Private Limited		0		0
374 (March 31, 2017: 374) Equity Shares of Rs.10/- each fully paid up in Exchange4Solar Private Limited		0		0
145 (March 31, 2017: 145) Equity Shares of Rs.10/- each fully paid up in Khetify Solutions Private Limited		0		0

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

4. Investments (Contd.)

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Optionally redeemable convertible debentures				
5,900 (March 31, 2017: 5,900) zero coupon optionally redeemable convertible debentures of Rs. 1,00,000/- each in Saroj Sunrise Private Limited.		59		59
		93		**93**
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		95		257
Aggregate book value of unquoted investments		64		64
Aggregate amount diminution in value of unquoted investments		5		**5**

Note: The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise Private Limited are in the nature of equity investment.

5. Financial assets

(i) Investments

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Equity shares		
Others (Quoted)	0	0
Tax free bonds (Quoted)		
At fair value through profit and loss		
8.30% NHAI tax free bonds	1	1
Units of Urban Infrastructure Opportunities Fund (Unquoted)		
1,188 (March 31, 2017: 1,188) Units of Rs. 49,430/- (March 31, 2017: Rs.60,430/-) each fully paid up in Urban Infrastructure Opportunities Fund	3	5
Others (unquoted) - at cost		
50 (March 31, 2017: 50) units of Rs.100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
Total	**4**	**6**
Aggregate book value of quoted investments	1	1
Aggregate market value of quoted investments	1	1
Aggregate book value of unquoted investments	3	6

(ii) Loans (Unsecured, considered good unless otherwise stated)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Loans and advances to:		
Employees@	9	6
Others	1	70
@includes due form officers of the Company	10	76

No loans or advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

5. Financial assets (Contd.)

(iii) Other financial assets (Unsecured, considered good unless otherwise stated) (Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Security deposit made		47		41
Subsidy/ Incentives receivable	509		359	
Less: Impairment allowance (allowance for doubtful advances)	0	509	0	359
Deposit with banks having remaining maturity of more than twelve months*		18		6
Advance against share application money/purchase of investment	4		19	
Less: Impairment allowance (allowance for doubtful advances)	(4)	-	(4)	15
Finance lease receivable	1		1	
Less: Impairment allowance (allowance for doubtful advances)	(1)	-	(1)	-
Other financial assets		1		1
Derivative instruments at fair value through profit and loss				
Foreign currency option contracts		57		12
		632		**434**

* Includes Rs. 16 (March 31. 2017 : Rs. 3), deposits receipts whereof have been kept with banks against bank guarantees given / are pledged with various authorities.

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Break up of financial assets carried at amortised cost		
Security Deposits	47	41
Deposit with banks having remaining maturity of more than twelve months	18	6
Employee loans	9	6
Other loans	1	70
Subsidy/ Incentives receivable	509	359
Other financial assets	1	16
Total financial assets carried at amortised cost	**585**	**498**
Break up of financial assets carried at fair value through statement of profit and loss		
Investment in bonds/ fund	4	5
Derivative instruments	57	12
	61	**17**

6. Income tax assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advance income tax(net of provision for tax)	97	86
	97	**86**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

7. Other Non Current Assets

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
(Unsecured considered good unless otherwise stated)				
Capital advances				
Considered good		107		119
Considered doubtful	3		1	
Less: Impairment allowance (allowance for doubtful advances)	3	-	1	-
Advances other than capital advances				
Other advances				
Considered good		10		8
Considered doubtful	1		61	
Less: Impairment allowance (allowance for doubtful advances)	1	-	61	-
Deposit and balances with Government departments and other authorities				
Considered good		16		20
Considered doubtful	2		2	
Less: Impairment allowance (allowance for doubtful advances)	2	-	2	-
		133		**147**

8. Inventories (at lower of cost or net realisable value)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Raw materials		
On hand	140	106
In transit	19	11
Packing materials		
On hand	34	28
In transit	1	0
Work in progress	54	53
Finished goods		
On hand	109	129
In transit	-	-
Stores and spares		
On hand	380	293
In transit	42	32
Total Inventories at the lower of cost or net realisabe value	**779**	**652**

Amount of write down of inventories to net realisable value recognised in the statement of profit and loss as an expense is Rs. 2 (March 31, 2017 : Rs. 2).

Inventories are hypothecated with the banks against cash credit and foreign currency loan from banks on pari passu on inter se basis. Refer note 18(i).

9. Financial Assets

(i) Investments

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
At fair value through statement of profit and loss		
Equity shares (Quoted)		
5,20,400 (March 31, 2017: 5,20,400) Shares of Rs. 1/- each fully paid up in The Ramco Cements Limited	38	35

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

9. Financial Assets (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
50,000 (March 31, 2017: 50,000) Shares of Rs. 10/- each fully paid up in Poddar Pigments Limited.	1	1
12,900 (March 31, 2017: 12,900) Shares of Rs. 10/- each fully paid up in Reliance Industries Limited	2	2
Nil (March 31, 2017: 699,720) Shares of Rs. 5/- each fully paid up in Reliance Communications Limited	-	3
Investment in limited liability partnership		
Investment in TVS Shriram Growth Fund 1B LLP, 67.95% contribution (March 31, 2017: 50% contribution))	486	132
Equity shares (Quoted)		
30,32,862 (March 31, 2017: 45,49,294) shares of Rs. 10/- each fully paid up in Indian Energy exchange	486	397
Units of mutual funds (Unquoted)-at fair value through statement of profit and loss		
Debt based schemes	2,177	2,071
Units of mutual funds (Quoted)-at fair value through statement of profit and loss		
Non trade bonds	218	-
Total	**3,408**	**2,641**
Aggregate book value of quoted investments	2,704	2,111
Aggregate market value of quoted investments	2,704	2,111
Aggregate book value of unquoted investments	704	530

Includes investment in units of mutual funds are pledged with the banks against borrowings amounting Rs. Nil (March 31, 2017: Rs. 48).

(ii) Trade receivables

Trade receivables	524	530
Receivables from other related parties	-	-
	524	**530**
Break-up for security details :		
Trade receivables		
Secured, Considered good	266	245
Unsecured, Considered good	393	381
Considered doubtful	58	59
	717	**685**
Less: Impairment allowance (allowance for doubtful receivables)	58	60
Less: Provision for free supply	5	5
Less: Provision for rebate / discount	130	90
	193	**155**
	524	**530**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

Trade receivables are hypothecated with the banks against cash credit and foreign currency loan from banks on pari passu on inter se basis. Refer note 18(i) & 14(i).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

9. Financial Assets (Contd.)

For information on financial risk management objectives and policies, refer note 39. (Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(iii) Cash and cash equivalents		
Balances with scheduled banks :		
- On current accounts	131	91
- On cash credit	9	0
- On deposit accounts	160	29
Cheques in hand	22	16
Cash on hand	1	2
	323	**138**
(iv) Bank balance other than (iii) above		
Balances with scheduled banks :		
- Unpaid dividend accounts	3	3
Other bank balances:		
- Deposit accounts (with remaining maturity Less than 12 months)*	23	30
- Margin money (pledged with bank against bank guarantee given of Rs. 1 (March 31, 2017: Rs. 4)	5	4
	31	**37**

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At March 31, 2018, the Group had available Rs. 771 (March 31, 2017: Rs. 735) of undrawn committed borrowing facilities.

* Includes Rs. 8 (March 31, 2017: Rs. 16), deposit receipts whereof have been kept with banks against bank guarantee given/ are pledged with various authorities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash on hand	1	2
Cheques in hand	22	16
Balances with scheduled banks :		
- On current accounts	131	91
- On cash credit	9	0
- On deposit accounts	160	29
	323	**138**

(v) Loans		
Unsecured, considered good		
Loan to		
- Employees@	8	7
- Related parties	0	-
- Others	77	35
	85	**42**
@includes due form officers of the Company	8	7

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

9. Financial Assets (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
(vi) Other financial assets		
(Unsecured considered good unless otherwise stated)		
Subsidy/Incentive receivable	662	419
Interest receivable	20	17
Security deposits	16	11
Other financial assets	9	8
Financial assets carried at fair value through statement of profit or loss		
Derivative instruments	24	6
	731	461
Break up of financial assets carried at amortised cost		
Trade receivables	524	530
Cash and cash equivalents	323	138
Margin money and other bank balances	31	37
Loans to employees	8	7
Loans to related parties	0	-
Loans and advances to others	77	35
Subsidy/Incentive receivable	662	420
Interest receivable	20	17
Security deposit	16	11
Other financial assets	9	8
	1,670	1,203
Break up of financial assets carried at fair value through statement of profit or loss		
Investment in equity shares	41	41
Investment in mutual funds	2,395	2,071
Derivative instruments	24	6
	2,460	2,118
Break up of financial assets carried at fair value through other comprehensive income		
Investment in limited liability partnership	486	132
Investment - equity shares (Quoted)	486	397
	972	529

10. Income tax assets

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Balances with income tax authorities	25	-
	25	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

11. Other current assets

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
(Unsecured considered good unless otherwise stated)				
Advances				
Related parties		-		-
Considered doubtful	4		3	
Less: Impairment allowance (allowance for doubtful advances)	4	-	3	-
Prepayments		11		19
Assets held for sale*		0		0
Deposit and balances with Government departments and other authorities		66		132
Others		179		124
		256		**275**

*Plant and equipments classified as held for sale during the reporting period were measured at the lower of carrying amount and fair value less costs to sell at the time of reclassification, resulting in the recognition of a write down of Rs. 1.10 (March 31, 2017: Rs. Nil) as impairment loss in the statement of profit and loss. The fair value of the plant and equipments were determined using the market comparison approach.

12. Share capital suspense account

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Authorised :		
1,59,55,00,000 (March 31, 2017: 1,59,55,00,000) Equity Shares of Rs. 2/- each	319	319
1,00,000 (March 31, 2017: 1,00,000) Preference Shares of Rs. 100/- each	1	1
5,00,00,000 (March 31, 2017: 5,00,00,000) Preference Shares of Rs. 10/- each	50	50
	370	**370**
Share capital suspense account	6,654	6,654
	6,654	**6,654**

Pursuant to Scheme 1 & 4 as described in note 51 the Company is in process of fixing Record Date for allotment of 19,27,27,553* equity shares of Rs.2/- each fully paid up of the holding Company at a on premium to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, specified under the Scheme. and Therefore till such time the shares are being issued to the shareholders, the said amount including securities premium is shown as 'Share capital suspense account'.

*Include 7,20,000 equity shares of Rs. 2/- each fully paid up of the Company to the employees under “Employee Stock Option Plan”,"

13. Other equity

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Employee stock option outstanding		
Opening Balance as per last financial statements	12	9
Add: Addition during the period	2	3
Closing Balance	**14**	**12**
Capital reserve		
Opening balance as per last financial statements	279	279
Less: Capital subsidy	(2)	-
Closing balance	**277**	**279**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

13. Other equity (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Securities premium		
Opening balance as per last financial statements	1,076	1,076
Add: Additions during the year	(1)	-
Closing balance	**1,075**	**1,076**
General reserve		
Opening balance as per last financial statements	3	3
Add: Transfer from surplus balance in statement of profit and loss	(0)	0
Closing balance	**3**	**3**
Reserve fund as per RBI		
Opening balance as per last financial statements	0	0
Less: Released during the year	(0)	-
Closing balance	**-**	**0**
Debenture redemption reserve		
Opening balance as per last financial statements	363	210
Add: Created during the year	38	182
Less: Released during the year	131	29
Closing balance	**270**	**363**
Retained earnings		
Balance as per last financial statements	1,207	1,316
Add: Amount transferred from debenture redemption reserve	131	29
Profit/ (loss) for the period	292	44
Less: Appropriations		
Transferred to debenture redemption reserve	38	182
Dividend paid	27	-
Dividend distribution Tax	6	-
Total appropriations	**71**	**182**
Net surplus in the statement of profit and loss	**1,559**	**1,207**
Items of other comprehensive income recognised directly in retained earnings		
Other comprehensive income		
Opening balance as per last financial statements	35	14
Add: Transfer from foreign currency translation reserve	-	1
Currency translation reserve	3	(3)
Re-measurement of post employment benefit obligation, net of tax	3	(1)
Fair valuation gain on investments, net of tax	442	24
Closing balance	**483**	**35**
	2,042	**1,241**
Total other equity	**3,681**	**2,975**
Distribution made and proposed		
Cash dividends on equity shares paid :		
Final dividend	27	-
Interim dividend	-	-
	27	**-**
Proposed dividends on equity shares:		
Proposed dividend	-	27
	-	**27**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

13. Other equity (Contd.)

Description of nature and purpose of each reserve

(a) **Employee stock option outstanding-** The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

(b) **Securities premium -** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve

(c) **General reserve-** The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(d) **Retained earnings-** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Group.

(e) **Debenture redemption reserve (DRR)-** The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the Group available for appropriation. DRR is required to be created for an amount which is equal to 25% of the value of categories of debentures issued by the Group.

(f) **Capital reserve-** Capital Reserve includes Rs.270 Crore created due to scheme of amalgamation and arrangement as referred to in Note No. 52.

14. Financial liabilities

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
(i) Borrowings				
Secured				
A. Redeemable non-convertible debentures	1,776		2,598	
Less: Shown in current maturities of long term borrowings	311	1,465	232	2,366
B. Term loans:				
i. From banks	3,408		3,103	
Less: Shown in current maturities of long term borrowings	129	3,279	131	2,972
ii. From others	589		629	
Less: Shown in current maturities of long term borrowings	113	476	44	585
C. Deferred payment liabilities	8		-	
Less: Shown in current maturities of long term borrowings	-	8	-	-
D. Finance lease obligation	3		3	
Less: Shown in current maturities of long term borrowings	0	3	0	3
Total secured long term borrowings		**5,231**		**5,926**
Unsecured				
E. Redeemable non-convertible debentures	-		75	
Less: Shown in current maturities of long term borrowings	-	-	-	75
F. From others	619		397	
Less: Shown in current maturities of long term borrowings	391	228	144	253
Total unsecured long term borrowings		**228**		**328**
Total long term borrowings		**5,459**		**6,254**

14. Financial liabilities (Contd.)

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

i) 9.91% Series A Rs. 208 (March 31, 2017 Rs. 338) are secured by pledge of investments & redeemable in January 2019. The debentures were partially early redeemed during the year.

ii) 9.91% Series C Rs. 296 (March 31, 2017: Rs. 328) are secured by pledge of investments & redeemable in January 2021. The debentures were partially early redeemed during the year.

iii) 9.91% Series B Rs. 197 (March 31, 2017: Rs. 328) are secured by pledge of investments & redeemable in January 2020. The debentures were partially early redeemed during the year.

Note: In respect of (i) to (iii) above, the underlying security would be actually cancelled on the record date of cancellation of equity shares of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited} as per Scheme of Arrangement and Amalgamation described in note 51. As provided under the debenture trust deed, the Company would be requesting debenture holders to accept alternate security in replacement of the underlying security upon its cancellation. Pending the completion of process, these debentures are considered as secured.

iv) 10.75% Series 1A Rs. 67 (March 31, 2017: Rs.100) are secured by first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit of Dalmia Cement (Bharat) Limited and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018. For Rs. Nil (March 31, 2017: Rs.19), interest rate swap was taken @ 9.20% payable on USD Nil (March 31, 2017: USD 3,033,490).

v) 11.00%, Series 1B Rs. Nil (March 31, 2017: Rs. 100) were secured by first pari-passu charge on land, building, assets, plant & machineries of Dalmiapuram unit of Dalmia Cement (Bharat) Limited and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018 with a put/ call option at end of 5 years at par in January 2018 for full amount. The debentures were early redeemed during the year.

vi) 10.75% Series III A, B, C and IV P, Q, R Rs. 140 (March 31, 2017: Rs. 210) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram unit of Dalmia Cement (Bharat) Limited and movable and immovable fixed assets (excluding plant and machinery charged on exclusive basis to specific lenders) of Kadappa and Ariyalur unit of Dalmia Cement (Bharat) Limited and redeemable in three yearly instalments commencing from August 2017.

vii) 8.65% Rs. 249 (March 31, 2017: Rs. 249) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Dalmia Cement (Bharat) Limited and redeemable in October 2019 & October 2020.

viii) 8.70% Rs. 20 (March 31, 2017: Rs. 149) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Dalmia Cement (Bharat) Limited and redeemable in October 2021. The amount of Rs.130.00 are early redeemed during the year in May 2017.

ix) 8.80% Rs. Nil (March 31, 2017 Rs. 99) were secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Dalmia Cement (Bharat) Limited and redeemable in October 2019 & October 2022. The debentures were early redeemed during the year.

x) 9.90% Rs. Nil (March 31, 2017: Rs. 99) were secured by pledge over 100% of total issued, subscribed and paid-up share of the Dalmia Bharat Cement Holdings Limited (DBCHL) {a unit of Dalmia Cement Bharat Limited} capital and charge / assignment over Inter Corporate Deposit's to DBCHL {a unit of Dalmia Cement Bharat Limited} of Rs. 200.00 and redeemable in March 2018. The debentures were fully redeemed during the year.

xi) 9.90% Rs. 599 (March 31, 2017 Rs. 599) are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited} refer note 51 repayable in 3 equal yearly installments commencing from March 2020.

2) Term loans from banks referred to in B (i) above to the extent of :

i) Rs. 392 (March 31, 2017: Rs. 399) are secured by exclusive first charge on land and buildings and hypothecation of all the property, plant and equipments of cement units Dalmia Cement (Bharat) Limited at Kadappa and Ariyalur excluding assets charged to working capital lenders and Vertical Roller Mills & other machineries and equipments for projects at

14. Financial liabilities (Contd.)

Kadappa and Ariyalur acquired under foreign currency loan, at base rate plus 0.40% (present 8.40%). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) Rs. 467 (March 31, 2017: Rs. 521) are secured by first charge on property, plant and equipments (movable and immovable) of cement plant located at Belgaum, Karnataka of Dalmia Cement (Bharat) Limited both present & future except specific assets financed by ECA at MCLR (present 8.35%). It was further secured by pledge of investment in mutual funds of Rs. Nil (March 31, 2017: Rs. 48). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) Rs. 352 (March 31, 2017: Rs. 352) are secured by way of first pari-passu charge over movable and immovable property, plant and equipments pertaining to Kadappa and Ariyalur plants of Dalmia Cement (Bharat) Limited except specific equipment exclusively charged to ECA lenders at MCLR (present 8.35%). It is repayable in unequal quarterly instalments starting from March 2018 till March 2030.

iv) Rs. 291 (March 31, 2017: Rs. 297) carrying interest rate of 8.35% are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata of Dalmia Cement (Bharat) Limited both present and future except specific assets financed by ECA lenders. It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

v) Rs. 194 (March 31, 2017: Rs. 198) carrying interest rate of 8.35% are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata of Dalmia Cement (Bharat) Limited both present and future except specific assets financed by ECA lenders. It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

vi) Rs. 438 (March 31, 2017: Rs. Nil) carrying interest at Libor plus 2.50% are secured first pari passu charge on movable & immovable property, plant and equipments of power assets at Dalmiapuram, Ariyalur and Belgaum of Dalmia Cement (Bharat) Limited (both present and future). The loan has been availed in foreign currency and is repayable after 36 months from date of first disbursement i.e. May 31, 2017.

vii) Rs. 37 (March 31, 2017: Rs. 45) carrying interest at Libor plus 2.05% (present 3.31%) are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum of Dalmia Cement (Bharat) Limited. The loan has been availed in foreign currency and is repayable in 16 half yearly instalments of USD 637,110 each starting from October 2014 till May 2022.

viii) Rs. Nil (March 31, 2017: Rs. 7) carried interest at Libor plus 2.146% were secured by way of exclusive charge on Vertical Roller Mills & other machineries and equipments acquired through this loan for projects at Kadappa & Ariyalur of Dalmia Cement (Bharat) Limited. The loan was availed in foreign currency and repayable in half yearly instalments of USD 1,035,660 each till July 2017. The loan was fully paid during the year.

ix) Rs. 163 (March 31, 2017: Rs. 202) carrying interest at MCLR plus 0.40% are secured by mortgage and first charge on all the movable and immovable properties (both property, plant and equipments and intangible assets) of the cement unit located at Meghalaya of Dalmia Cement (Bharat) Limited both present and future and a second charge on all other assets of the unit. All the above charges rank pari- passu inter-se amongst various lenders. Repayable in 32 structured quarterly instalments starting from June 30, 2015 to March 31, 2023.

x) Rs. 268 (March 31, 2017: Rs. Nil) carrying interest rate of MCLR plus 0.45% are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited} repayable in 48 quarterly installments commencing from March 2019.

Rs. Nil (March 31, 2017: Rs. 268) are secured by first pari passu charge over all the movable and immovable fixed assets (other than vehicle acquired under specific vehicle loan)of cement division of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited}, present & future and further secured by second pari passu charge on all current assets of the company, repayable in 40 quarterly installments commencing from March 2019.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

14. Financial liabilities (Contd.)

xi) Rs.0 (March 31, 2017: Rs. 0) carrying interest rate of 10 % are secured by way of first & exclusive charge on the vehicle purchase therefrom. Repayble in 60 Monthly Installments starting from Feb 2015.

xii) Rs. 224 (March 31, 2017: Rs. 231) carrying interest at MCLR plus 0.65% p.a are secured by first pari - passu charge on all movable and immovable Property, Plant and Equipment (both present and future) of the cement division situated at Jharkhand Cement Works, Bokaro unit of Dalmia Cement (Bharat) Limited. The loan is repayable in 56 structured quarterly instalments of commencing from November 2016.

xiii) Rs.45 (March 31, 2017 : Nil) term loan is primarily secured by the EM of Factory Land and Building and hypothecation charge on all present and future movable and immovable assets of Alsthom Industries Limited a unit of Dalmia Cement (Bharat) Limited excluding land . Besides, the above loan is additionally secured by the corporate guarantee by the Dalmia Cement (Bharat) Limited. Repayable in 108 structured monthly instalments starting from June, 2018.

xiv) Rs. 537 (March 31 2017: Rs. 583) carrying interest rate MCLR plus 0.10% including funded interest on term loan are secured by first pari passu charge on entire property , plant and equipment (immovable and movable assets) of Calcom Cement India Limited)'CCIL'), both present and future and a second charge on etire current assets of CCIL. These loans are also secured by the pledge of 4,38,48,910 equity shares of the CCIL held by the erstwhile promoters, their relatives and two subsidiaries of the CCIL. These loans are additionally secured by personal guarantee of three former directors of the CCIL.

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

i) Term loan in the form of government grant of Rs. 312 (March 31, 2017: Rs. 312) carrying interest @ 0.10% p.a., are secured by a first pari-passu charge on the movable and immovable properties of Cement unit of Dalmia Cement (Bharat) Limited at Dalmiapuram and is repayable in five unequal instalments starting from April 2018 till April 2023. The aforesaid loan was existing at the date of transition to Ind AS i.e. April 1, 2015 and thus carried at historical cost by applying the exemption of Ind AS 101.

ii) Term loan in form of government grant of Rs. 35 (March 31, 2017: Rs. 32) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of Cement units of Dalmia Cement (Bharat) Limited at Ariyalur and Dalmiapuram. Repayment is due from financial year 2018-19 (from January 2019) but repayment schedule is yet to be finalised. Loan was received post transition to Ind AS and has been accounted at fair value with a difference being recognised as government grant.

iii) Rs. 77 (March 31, 2017 Rs. 88) is secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited, both present and future and a second charge on the entire current assets of Calcom Cement India Limited. These loans are also secured by the pledge of 43,848,910 equity shares of Calcom Cement India Limited held by erstwhile promoters, their relatives and two subsidiaries of Calcom Cement India Limited. The loan is repayable in 31 structured instalments starting from April 2019 till October, 2021 and carry interest @ 3 month Libor plus 2.50%. The loan has been availed in foreign currency.

iv) Rs. 11 (March 31, 2017 Rs. 13) carrying interest MCLR plus @0.10%, are secured by a first charge of all the movable and immovable properties (present and future) of Calcom cement India Limited. It is repayable in 31 structured quarterly instalments starting from April 1, 2014.

v) Rs. 14.00 (March 31, 2017 Rs. 17) carrying interest MCLR plus @0.10%, are secured by a first charge of all the movable and immovable properties (present and future) of Calcom cement India Limited. It is repayable in unequal quarterly instalments.

vi) Rs. 139 (March 31, 2017: Rs. 166) carrying interest at 6 months Libor plus 3.60% p.a are secured by first ranking mortgage and hypothecation on all immovable and movable, present and future assets related to the cement unit situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack), OCL Bengal Cement

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

14. Financial liabilities (Contd.)

Works (Midnapore, West Bengal) of Dalmia Cement (Bharat) Limited (excluding current assets) to be shared pari passu with other lenders in respect of other debts and a second charge on all present and future current assets of the borrower to be shared pari passu with other lenders and existing lenders to the cement division of the borrower in respect of the existing debt. The loan has been availed in foreign currency and is repayable in 14 half yearly instalments commencing from June 2016.

vii) 5.70% Rs. 1 (March 31, 2017: Rs. 1) redemable preference shares at Rs. 20 per share (Including premium of Rs. 10 per share) in November 2020.

4) Interest free loan referred to in C above is in respect of 14.50% of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of Dalmia Cement (Bharat) Limited located at Karnataka for a period of 12 years beginning from March 2017. This loan is secured by way of a bank guarantee issued by Dalmia Cement (Bharat) Limited and is repayable in 12 yearly equal instalments after a period of 12 years from the date of receipt of interest free loan. Loan received post transition to Ind AS are recognised at fair value with a difference between the gross proceeds and fair value of the loan is being recognised as deferred government grant.

5) Land lease obligation referred to in D above is repayable during lease period of 90 to 99 years. This is secured against leased assets.

6) Foreign currency loans referred to in F above to the extent of:

i) Rs. 289 (March 31, 2017: Rs. 247) carrying interest at LIBOR plus 250 basis point and repayable in March 2019.

ii) Rs. 98 (March 31, 2017: Rs. 146) carrying interest at LIBOR plus 250 basis point. Loan of Rs. 50 is repaid during the year and balance is repayable at the end of 18 months from date of first disbursement.

iii) Rs. 162 (March 31, 2017: Rs. Nil) carrying interest at LIBOR plus 190 basis point and is repayable at the end of 15 months from date of disbursement i.e. February 26, 2018.

iv) Rs. 65 (March 31, 2017: Rs. Nil) carrying interest at LIBOR plus 250 basis point and is repayable at the end of 3 years from date of disbursement i.e. February 15, 2018.

v) Loan from a Joint Venture Company is carrying interest rate of 9.00% p.a and is repayable in November 2018 with renewal option..

(ii) Other financial liabilities (Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Security deposit received	4	1
Derivative liabilities	1	0
	5	**1**
Financial liabilities carried at amortised cost		
Borrowings	5,459	6,254
Security deposit received	4	1
Retention money payable	-	-
	5,463	**6,255**
Financial liabilities carried at fair value through statement of profit and loss		
Derivative liabilities	1	0
	1	**0**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

15. Provisions

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Provision for mines reclamation liability	30	28
Provision for leave encashment	3	2
Provision for employee benefits	22	15
Others	33	95
	88	**140**

16. Deferred Tax (net)

(i) The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Statement of profit and loss:		
Current tax	108	74
Deferred tax/ (Credit)	17	15
Current tax for earlier years	(28)	(15)
Deferred tax for earlier years	1	-
Income tax expense reported in the statement of profit or loss	**98**	**74**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans and Fair value gain on investments		
Income tax related to items recognized in OCI during the year	(2)	(12)
	(2)	**(12)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax	**389**	**108**
Applicable tax rate	34.61%	34.61%
Computed tax expense	**135**	**37**
Adjustment of tax relating to earlier years	(27)	(15)
Dividend income exempt from income tax	(13)	1
Allowance of certain claims favourably by the income tax authorities for earlier years	(14)	-
Effect of allowances on expenditure during tax holiday period	(24)	14
Amortisation of goodwill in books considered as not deductible in provision for tax	16	40
Other non-deductible expenses for tax purposes	1	-
Investment allowance u/s 32AC of the Income Tax Act, 1961	-	(8)
Change in deferred tax balances due to change in income tax rates	14	-
Others	10	5
	98	**74**

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

16. Deferred Tax (net) (Contd.)

(iii) Deferred tax: (Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Deferred tax relates to the following:		
Property, plant and equipment	2,646	2,593
Others	33	40
Less:		
Provisions, trade payables and other current liabilities	38	41
Unabsorbed depreciation	997	1,055
Others	14	139
MAT credit entitlement	208	26
Net deferred tax asset/(liability)	**1,422**	**1,372**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

17. Government grant

(Amount in ₹)

		As at March 31, 2018	As at March 31, 2017
(i)	**Deferred capital investment subsidy(Refer sub note (a) below)**		
	Opening	80	75
	Received during the year	1	9
	Released to the statement of profit and loss	(4)	(4)
	Closing	**77**	**80**
(ii)	**Deferred export promotion capital goods(Refer sub note (b) below)**		
	Opening	6	6
	Accrual during the year	12	-
	Released to the statement of profit and loss	-	-
	Closing	**18**	**6**
(iii)	**Deferred government grant(Refer sub note (c) below)**		
	Opening	34	37
	Accrual during the year	17	1
	Released to the statement of profit and loss	(4)	(4)
	Closing	**47**	**34**
Total (i)+(ii)+(iii)		**142**	**120**
Non current		**120**	**112**
Current		**22**	**8**

(a) The Group has received grant towards capital investment under 'State Investment Promotion Scheme' as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. The grant is recognised in statement of profit and loss on a systematic basis over the useful life of the assets.

(b) The Group has deferred export promotion capital goods obligation to the extent of custom duty saved on plant and machinery imported on fulfilment of conditions i.e. export of goods to be made to customers within specified period. Such custom duty saved on plant and machinery imported is recognised as deferred government grant. Since the condition is on achievement

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

17. Government grant (Contd.)

of specified conditions, therefore deferred revenue will be released to statement of profit and loss when the exports are made by the Group. The deferred revenue grant created as at the balance sheet date is Rs. 18 (March 31, 2017: Rs. 6).

(c) The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest/ interest free loans is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair Value) and the proceeds received. Government grant is recognised in the statement of profit and loss on a systematic basis over the period of the loan during which the entity recognises as interest expense, the related costs for which the grants are intended to compensate.

18. Financial liabilities

(i) Borrowings

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Secured		
A. Cash credit from banks	8	71
B. Foreign currency loan from banks	453	412
(A)	461	483
Unsecured		
C. From others	7	8
D. Commercial papers	395	742
(B)	402	750
Total short term borrowings (A+B)	863	1,233

A) Cash credit from banks referred to in A above to the extent of:

Rs. Nil (March 31, 2017 Rs. 8) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari pasu on inter se basis repayable in next one year and carry interest rate in the range of 9.60% p.a. to 11% p.a.

Rs. 4 (March 2017 : Rs. NIL) are primarily secured by hypothication charge on the current assets Alsthom Industries Limited both present and future and collaterally secured by Factory Land and building, all plant & Machineries and other movable assets of the company both present and future. This loan carries an interest rate of 0.35% above 1 year MCLR (presently: 8.35%) and is repayable on demand. Rs.0 (March 2017 : Nil) from Axis Bank Limited is secured by way of First Pari Passu Charge over all current assets of the Dalmia Cement Bokaro unit of Dalmia Cement(Bharat) Limited and Carrying rate of interest @ 8.35 %.

Rs. 4 (Rs. 13) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivable of the unit of Dalmia Cement (Bharat) Limited by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the Cement Division of the erstwhile OCL India Limited now a unit of Dalmia Cement (Bharat) Limited.

Rs. 0 (March 31, 2017: Rs. 4) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivables of the units of Dalmia Cement (Bharat) Limited situated at Rajgangpur, Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). These cash credit facilities carry the interest rate in the range of 8.55% p.a. to 10.90% p.a. (March 31, 2017 : 9.85% p.a. to 11.00% p.a.).

Rs. Nil (March 31, 2017: Rs. 37) were secured by first pari passu charge on all other assets of the Meghalaya unit of the Dalmia Cement (Bharat) Limited and collaterally secured by second pari-passu charge on entire property, plant and equipments of Meghalaya unit of Dalmia Cement (Bharat) Limited both present and future. All the above charges rank pari- passu inter-se amongst various lenders. This loan carried interest rate of 1 year marginal cost-based lending rate plus 125 bps (presently: 11.20% p.a.) and is repayable on demand.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

18. Financial liabilities (Contd.)

Rs. Nil (March 31, 2017 Rs. 9) are secured by first pari passu charge on all other assets of the Dalmia Cement (Bharat) Limited and collaterally secured by second pari-passu charge on entire property, plant & equipment of the Dalmia Cement (Bharat) Limited. These facilities are additionally secured by the pledge of the shares of Dalmia Cement (Bharat) Limited held by the erstwhile promoter of Calcom Cement India Limited (Bawri Group), negative lien on the entire shareholding of the Dalmia Group in the Parent Company and personal guarantees of three former director of the Parent Company. This loan carries an interest rate of 3M MCLR plus 295 bps (presently: 11%) and is repayable on demand.

B) Foreign currency loans from banks referred to in B above to the extent of:

Rs. 326 Crore (March 31, 2017 Rs. 301 Crore) are secured by Letter of Undertaking issued by consortium bankers on the security of hypothecation of inventories and trade receivables in their favor ranking pari pasu on inter se basis repayable in less than one year and carry 6 months LIBOR plus 0.20% to 0.65% (presently 1.72% to 2.47%).

Rs. 119 (March 31, 2017: Rs. 103) are secured by first -pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivables of the units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). The interest rate is the range of 0.22% p.a. to 2.77% p.a. (March 31, 2017 : 0.30% p.a. to 1.45% p.a.).

"Rs. 8 (March 31, 2017: Rs. 8) are secured by first pari- passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivables of the units of Dalmia Cement (Bharat) Limited situated at Rajgangpur, Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). These packing credit foreign currency loan carry the interest rate of 1.67% p.a. to 4.50% p.a. (March 31, 2017 : 1.92% p.a. to 3.42% p.a.).

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

D) Commercial papers referred to in D above are payable in three months and carry interest rate in the range of 6.90% to 7.57% p.a. (March 31, 2017: 6.40% to 7.50% p.a.).

(ii) Trade payables (Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro and small enterprises(Refer note 35)	6	1
Total outstanding dues of creditors other than micro and small enterprises	927	889
	933	**890**

(iii) Other financial liabilities

Current maturities of long term borrowings	944	552
Interest accrued but not due on borrowings	51	108
Interest accrued and due on borrowings	10	9
Security deposit received	487	390
Capital creditors	28	66
Directors' commission payable	2	1
Unclaimed dividend*	4	3
Purchase consideration payable	42	51
Derivative liability	0	7
Other liabilities	4	11
	1,572	**1,198**

* Not due for deposit in Investor Education & Protection Fund

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

18. Financial liabilities (Contd.)

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Financial liabilities carried at amortised cost		
Trade payables	933	890
Borrowings	863	1,233
Current maturities of long term borrowings	944	552
Interest accrued but not due on borrowings	51	108
Interest accrued and due on borrowings	10	9
Security deposit received	487	390
Capital creditors	28	66
Directors' commission payable	2	1
Unclaimed dividend	4	3
Purchase consideration payable	42	51
Other liabilities	4	11
	3,368	**3,314**
Financial liabilities carried at fair value through statement of profit and loss		
Derivative liability	0	7
	0	**7**

19. Other current liabilities

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Advances from customers	91	100
Deferred revenue*	44	35
Other liabilities		
- Statutory dues	334	223
- Others	10	9
	479	**367**

*The deferred revenue relates to the accrual and release of in-kind discount. As at March 31, 2018, the estimated liability towards in-kind discount amounts to Rs. 44 (March 31, 2017: Rs. 35).

20(a). Provisions

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits	35	35
Other provisions	31	50
	66	**85**

20(b). Current tax liabilities

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Provision for tax	2	2
	2	**2**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

21. Revenue from operations

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Sale of products*		
Cement sales	7,666	7,434
Refractory goods sales	409	350
Power sales	13	30
Traded Sales	173	45
	8,261	**7,859**
Management services	24	18
Sales Tax incentive/ VAT remission/ GST remission	451	388
Other operating revenue	92	75
	8,828	**8,340**

* Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards, the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable with that of the previous year.

22. Other income

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Dividend income				
- from current investments		28		16
Interest Income		55		33
Unwinding of interest income on financial instruments		54		47
Profit on sale of Investments	110		110	
Less: Loss on sale of investment	0	110	-	110
Fair value gain on financial instruments at fair value through profit or loss				
- Fair value gain on investments		27		74
Exchange difference (net)		0		7
Miscellaneous receipts		4		9
		278		**296**

23. Cost of raw materials consumed

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Class of product		
Limestone	387	541
Clinker	169	36
Gypsum	63	56
Fly ash	112	98
Slag	396	239
Others	274	167
	1,401	**1,137**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

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

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Finished goods				
- Closing stock		109		129
- Opening stock	129		202	
Less: Transferred to self consumption	1	128	0	202
		19		**73**
Work-in-process				
- Closing stock		54		53
- Opening stock		53		68
		(1)		15
(Increase) / Decrease		**18**		**88**

25. Employee benefits expense

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Salaries, wages and bonus	528	516
Expenses on employees stock options scheme	6	7
Contribution to provident fund and other funds	47	36
Workmen and staff welfare expenses	37	32
	618	**591**

26. Finance costs

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Interest		
- On term loans and debentures	503	723
- On short term borrowings	81	64
- Others*	15	0
Other borrowing cost	53	68
Exchange differences to the extent considered as an adjustment to borrowing cost (net)	38	1
	690	**856**

*Net of reversal of interest liability on export promotion capital goods provided in earlier years

27. Other expenses

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017	
Power and fuel		1,405		1,036
Packing materials		321		284
Consumption of stores and spare parts		40		44
Freight charges		1,475		1,361
Repairs and maintenance :				
- Plant & machinery		215		190
- Buildings		14		15
Rent		47		41
Rates and taxes		18		18

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

27. Other Expenses (Contd.)

(Amount in ₹)

	As at March 31, 2018		As at March 31, 2017
Insurance		11	6
Depot expenses		104	114
Professional charges		74	65
Advertisement and publicity		177	180
Rebate and discounts		1	3
Excise duty variation on opening/closing inventories		(17)	(4)
Exchange difference (net)		14	9
Corporate social responsibility expense		12	9
Cost for obligations		-	-
Bad debts/ advances written off	71		
Less: Impairment allowance for doubtful debts/ advances adjusted out of above	(69)	2	2
Miscellaneous expenses*		367	286
		4,280	**3,659**

* Also refer note 42 for remuneration of auditors.

28. Earning per share

(Amount in ₹)

	As at March 31, 2018	As at March 31, 2017
Basic EPS		
Net profit for calculation of basic EPS (Rs.)	**292**	**44**
Total number of equity shares outstanding at the end of the year	19,27,27,553	19,23,52,553
Weighted average number of equity shares in calculating Basic EPS	19,24,05,978	19,21,28,695
Basic EPS (In Rupees)	15.18	2.29
Diluted EPS		
Net profit for calculation of diluted EPS (Rs.)	**292**	**44**
Weighted average number of equity shares for calculation of diluted EPS	19,24,05,978	19,21,28,695
Add: Weighted average number of potential equity shares	10,38,094	13,76,839
Weighted average number of equity shares for calculation of diluted EPS	19,34,44,071	19,35,05,534
Diluted EPS (In Rupees)	15.10	2.27

29. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

29. Disclosure of significant accounting judgements, estimates and assumptions (Contd.)

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Income Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To determine the future taxable profits, reference is made to the latest available profit forecasts. The Group is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 30.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 and 39 for further disclosures.

Provision for mines reclamation

The Group has recognised a provision for mine reclamation until the closure of mine. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The carrying amount of the provision as at March 31, 2018 is Rs. 31 (March 31, 2017: Rs. 28).

29. Disclosure of significant accounting judgements, estimates and assumptions (Contd.)

The Group estimates that the costs would be incurred in 2 years- 41 years for different mines upon the closure of mines and calculates the provision using the DCF method based on discount rate of 7.73% to 7.81%.

Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Revenue recognition – Non-cash incentives given to customers

The Group estimates the fair value of non-cash incentives awarded by applying market rate offered by vendors to the group. The assumption for determining fair value of non-cash incentives is based on the market rate of such schemes. As at March 31, 2018, the estimated liability towards non-cash incentive amounted to Rs. 43 (March 31, 2017: Rs. 35). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Subsidies receivable

The Group is entitled to various subsidies from Government in the form of government grant and recognize amount receivable from government as subsidy receivable when the Group is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value. The Group uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Group reviews its assumptions periodically, including at each financial year end.

Change in estimate

The Group estimates expected date of receipt of subsidy based on approval accorded from State Level Committee. Based on its past experience and inputs from business environment, the Management assessed that in event of clearance of approval from State Level Committee, the expected period of receipt of subsidy shall be 1.5 years for the subsidy accrued on or after April 1, 2017 and 2.5 years in case the subsidy was accrued on or before March 31, 2017 and in other cases, expected period of recovery will be 3.5 years from the date of accrual of subsidy in case subsidy is accrued on or before March 31, 2017 and 2.5 years for the subsidy accrued on or after April 1, 2017.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 5 and 9 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

30. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Group has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust (except in case of certain employees of one of the subsidiary company of DCBL) with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

30. Gratuity and Other Post Employment Benefit Plans (Contd.)

Provident Fund ('PF')

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust (except in case of certain employees of one of the subsidiary company of DCBL). As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (Amount in ₹)

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	2017-18	2016-17	2017-18	2016-17
Current service cost	9	7	10	6
Net Interest cost on benefit obligation	2	1	3	2
Net benefit expense	**11**	**8**	**13**	**8**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2017 (1)	66	42	24	87	86	1
Service cost (2)	9	-	9	10	-	10
Net interest expense/ (income) (3)	5	3	2	9	6	3
Sub-total included in profit or loss (note 26) (2+3)=(4)	14	3	11	19	6	13
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0	(0)	-	3	(3)
(Gain)/loss from changes in demographic assumptions (6)	(0)	-	(0)	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	(1)	-	(1)	-	-	-
Experience (gains)/losses (7)	(4)	-	(4)	1	-	1
Sub-total (5+6+6A+7)=(8)	**(5)**	**0**	**(5)**	**1**	**3**	**(2)**
Expenses/(Income) included in OCI out of (8) above	5	0	5	-	-	-
Contributions by employer (9)	-	2	(2)	-	10	(10)
Contribution by plan participation/ employees (10)	-	-	-	16	16	-
Settlements/ (Transfer in) (11)	0	-	0	22	22	-
Benefits paid (12)	**(5)**	**(4)**	**(1)**	**(7)**	**(7)**	**-**
Sub-total (9+10+11+12)=(13)	**(5)**	**(2)**	**(3)**	**31**	**41**	**(10)**
March 31, 2018 (1+4+8+13)	**70**	**43**	**27**	**138**	**136**	**2**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

30. Gratuity and Other Post Employment Benefit Plans (Contd.)

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2017 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2016 (1)	57	41	16	47	46	1
Service cost (2)	7	-	7	6	-	6
Net interest expense/ (income) (3)	4	3	1	6	4	2
Sub-total included in profit or loss (note 26) (2+3)=(4)	11	3	8	12	4	8
Re-measurements						
Acquisition adjustments (4a)	1		1			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0	(0)	-	2	(2)
(Gain)/loss from changes in demographic assumptions (6)	(2)	-	(2)	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	5	-	5	-	-	-
Experience (gains)/losses (7)	(2)	-	(2)	1	-	1
Sub-total (4a+5+6+6A+7)=(8)	**2**	**0**	**2**	**1**	**2**	**(1)**
Expenses/(Income) included in OCI out of (8) above	4	0	4	-	-	-
Contributions by employer (9)	-	2	(2)	-	6	(6)
Contribution by plan participation/ employees (10)	-	-	-	11	11	-
Settlements/ (Transfer in) (11)	-	-	-	18	19	(1)
Benefits paid (12)	**(4)**	**(4)**	**(0)**	**(2)**	**(2)**	**-**
Sub-total (9+10+11+12)=(13)	**(4)**	**(2)**	**(2)**	**27**	**34**	**(7)**
March 31, 2017 (1+4+8+13)	**66**	**42**	**24**	**87**	**86**	**1**

The Group expects to contribute Rs. 29 (March 31, 2017: Rs. 27) and Rs. 11 (March 31, 2017: Rs. 6) to gratuity and PF respectively in 2018-19.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:-

(Amount in ₹)

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unquoted investments:				
Insurance Company Products	20	21	-	-
Government securities / Equity shares/ Corporate bonds/Special Deposit schemes as defined under Specified rules	23	21	136	86
Total	**43**	**42**	**136**	**86**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

30. Gratuity and Other Post Employment Benefit Plans (Contd.)

The principal assumptions used in determining gratuity and PF for the Group are shown below: %

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	%	%	%	%
Discount rate	7.50%-8.00%	7.50%-8.00%	6.89%-7.5%	6.89% to 7.95%
Future salary increases	6%-9%	6%-9%	-	-
Guaranteed interest rate	-	-	8.55%	8.65%
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 is as shown below:

Gratuity Plan: %

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on defined benefit obligation	6	5	(5)	(5)	(5)	(4)	6	4
Impact on defined benefit obligation (Change in %)	8%	8%	(7%)	(7%)	(7%)	(6%)	8%	6%

PF: %

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on defined benefit obligation	4	3	(2)	(1)	(2)	(1)	8	5
Impact on defined benefit obligation (Change in %)	3%	3%	(1%)	(1%)	(1%)	(1%)	6%	6%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	16	17	51	32
Between 2 and 5 years	27	22	28	18
Between 5 and 10 years	31	30	54	34
Beyond 10 years	67	58	101	64
Total expected payments	**141**	**127**	**234**	**148**

Duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 4-14 years (March 31, 2017: 4-14 years) and for PF at the end of the reporting period is 4-9 years (March 31, 2017: 4-8 years).

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All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

30. Gratuity and Other Post Employment Benefit Plans (Contd.)

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Group actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods.

31. Share – based payments

Employee stock option scheme 2011- "ESOP 2011"was approved by the shareholders of the company in their meeting held on May 26, 2011.The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiary company.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

	March 31, 2018	March 31, 2017
Expense arising from equity-settled share-based payment transactions	6	7
Total expense arising from share-based payment transactions	**6**	**7**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	8,20,500	287.40	10,59,000	248.96
Granted during the year	-	-	-	-
Exercised during the year	(1,87,500)[1]	193.68	(1,72,500)[2]	121.05
Expired/ Lapsed during the year	(48,000)	105.50	(66,000)	105.50
Outstanding at the end of the year	5,85,000	332.36	8,20,500	287.40

[1] The weighted average share price at the date of exercise of these options is Rupees 2,641.

[2] The weighted average share price at the date of exercise of these options is Rupees 1,941.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

31. Share – based payments (Contd.)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 is 6 years (March 31, 2017: 6 years).

The range of exercise prices for options outstanding at the end of the year is Rupees 217.23 to Rupees 384 (March 31, 2017: Rupees 106 to Rupees 384).

Pursuant to the Scheme of Arrangement and Amalgamation amongst Odisha Cement Limited ("ODCL" or "Company"), Dalmia Bharat Limited ("DBL") and Dalmia Cement (Bharat) Limited ("DCBL") and their respective shareholders and creditors, in lieu of every 1 (one) stock option held by the Eligible Employees under the DBL ESOP Scheme 2011 (whether vested or unvested) the Company shall grant 2 (Two) new stock options ("New Options") to the Eligible Employees and the existing stock options held by them under the DBEL ESOP Scheme 2011 shall stand cancelled The terms and conditions of the new options so granted shall not be less favourable than those provided under the DBEL ESOP Scheme 2011.

The following table list the inputs to the models used for the plan for the year ended March 31, 2018 and March 31, 2017:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rs.)	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

32. Lease

A. Operating Lease- Assets taken on lease

The group has entered into cancellable lease agreements with an average life up to ten years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the group by entering into these leases. (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Lease payments for the year	47	41
Total	**47**	**41**

Future minimum rentals payable under non-cancellable operating leases as at March 31 are as follows:- (Amount in ₹)

Future minimum lease payments	March 31, 2018	March 31, 2017
Not later than one year	6	9
Later than one year and not later than five years	5	7
Later than five years	-	-
Total	**11**	**16**

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

32. Lease (Contd.)

B. Finance Lease -Group as Lessor

Future minimum lease receivables (MLR) and its present value under finance leases are as follows: (Amount in ₹)

	March 31, 2018		March 31, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	-	-	0	0
After one year but not more than five years	-	-	-	-
more than five years	-	-	-	-
Unguaranteed residual values	1	1	2	1
Total minimum lease payments	**1**	**1**	**2**	**1**
Less: amounts representing finance charges	-	-	(1)	-
Present value of minimum lease payments	**1**	**1**	**1**	**1**

C. Finance Lease- Group as Lessee

Future minimum lease Payable (MLP) and its present value under finance leases are as follows: (Amount in ₹)

	March 31, 2018		March 31, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	1	1	1	1
After one year but not more than five years	3	2	4	3
more than five years	7	0	7	1
Total minimum lease payments	**11**	**3**	**12**	**5**
Less: amounts representing finance charges	(1)	-	(1)	-
Less: Amount representing interest	(7)	-	(6)	-
Present value of minimum lease payments	**3**	**3**	**5**	**5**

33. Capital and Other commitments (Amount in ₹)

	Particulars	2017-18	2016-17
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	In respect of Parent	1	1
	In respect of Subsidiaries	184	115
b)	Commitment towards forestry department as per the Forest (Conservation) Act, 1980		
	In respect of Parent	-	-
	In respect of Subsidiaries	32	32

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

33. Capital and Other commitments (Contd.)

(Amount in ₹)

	Particulars	2017-18	2016-17
c)	Commitment for revival/ acquisition of Kalyanpur Cements Limited ('KCL') to the Resolution Professional pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 (net of payments of Rs. 42.78)		
	In respect of Parent	-	-
	In respect of Subsidiaries	310	-
d)	Corporate guarantee given by subsidiary of the company to a bank on behalf of subsidiary company namely Rajputana Properties Private Limited for issuance of Performance Bank Guarantee ('PBG') by such bank in respect of Resolution Plan submitted for acquisition of Binani Cement Limited under Insolvency and Bankruptcy Code, 2016		
	In respect of Parent	-	-
	In respect of Subsidiaries	652	-
e)	Guarantee given by subsidiary of the company to a bank for issuance of Bank Guarantee by such bank in respect of Resolution Plan submitted for acquisition of Murli Industries Limited under Insolvency and Bankruptcy Code, 2016		
	In respect of Parent	-	-
	In respect of Subsidiaries	50	-
f)	Other commitments- towards contractual and other payments, which does not have any bearing on the results for the current and previous year.		
	In respect of Parent	-	-
	In respect of Subsidiaries	31	41

34. Contingent liabilities / Litigations in respect of :

(A) Not provided for:

Parent Company

(Amount in ₹)

S. No.	Particulars	2017-18	2016-17
a)	Contingent liabilities / Litigations	Nil	Nil

Subsidiaries

(Amount in ₹)

S. No.	Particulars	2017-18	2016-17
a)	Claims against the Group not acknowledged as debts	212	190
b)	Demand raised by following authorities in dispute:		
	Excise, Customs, Service tax, VAT, Entry tax and Sales tax	198	195
	Income tax matters	73	89
c)	Other monies for which Group is contingently liable	2	2
	Total	**485**	**476**

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors etc., the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

(B) The Group's subsidiary Dalmia Cement (Bharat) Limited (DCBL) holds 76% shares in one of its subsidiary Company Calcom Cement India Ltd. (CCIL), where Bawri Group (BG), other shareholder, holds 21% (approx.) voting rights. During the year 2015-16, DCBL alleged that BG had defaulted in completion of certain obligations under the Shareholders Agreement/

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

34. Contingent liabilities / Litigations in respect of (Contd.)

Articles of Association (referred as Inter-se Agreement or 'ISA') and sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) under Sections 397 and 398 of the Companies Act 1956 alleging oppression and mismanagement by the Company. BG prayed CLB, along with other non-financial matters, to get the CCIL suitably compensated for such sums as may be found due. On constitution of National Company Law Tribunal ('NCLT'), the case was referred to it. NCLT, Guwahati Branch, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by Company, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the same and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their commercial disputes and the matter is still pending disposal before the Arbitral Tribunal. The management of CCIL denied the allegations as all such transactions have been prudently made in the ordinary course of business, on arms-length basis, in compliance with all applicable laws and regulations and in the larger commercial interest of the subsidiary company of DCBL.

BG has filed petitions before the Hon`ble High Court Guwahati challenging the order of NCLT. Interim order issued by Guwahati High Court in the said petition has been vacated by the Supreme Court in May 2017 and the petitions are pending adjudication before the Guwahati High Court. Pending final disposal of the disputes, no adjustments are considered necessary in these consolidated financial statements.

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

35. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006 :-

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	6	1
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0	0
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	0	0
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0	0
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

36. Related Party transactions

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

i. **Key Management Personnel/ Director of the Group**

Shri Jai Hari Dalmia – Non- Executive Director, Shri Yadu Hari Dalmia- Non- Executive Director, Shri Gautam Dalmia- Managing Director, Shri Puneet Yadu Dalmia – Managing Director, Shri D.N. Davar- Non- Executive Director, Shri Jayesh Doshi- Whole time Director & CFO, Shri P.K. Khaitan- Independent Director, Shri N. Gopalaswamy- Independent Director, Shri V.S. Jain- Independent Director and Smt. Sudha Pillai- Independent Director.

ii. **Joint Ventures**

Khappa Coal Company Private Limited and Radhikapur (West) Coal Mining Private Limited.

iii. **Enterprises controlled by the Key Management Personnel of the Company (with whom transactions have taken place during the year)**

Dalmia Bharat Sugar and Industries Limited, Dalmia Refractories Limited, Kanika Investments Limited (w.e.f. September 18, 2017), Dalmia Bharat Group Foundation, Shri Chamundeswari Minerals Limited, Shri Nirman Limited and Glow Home Technologies Private Limited

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

Name of the Related Party	Nature of related party	Year	Dividend Paid	Dividend Received	Interest paid	Interest received	Loan taken	Loans and advances given	Loans & Advances received back	Purchase of goods & Services	Reimbursement of expense receivable	Sale of goods & Services	Sale of Investments	Managerial Remuneration	Sitting Fees and commision
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	Mar-18	0	3	-	-	-	-	-	8	0	22	-	-	-
		Mar-17	-	-	-	-	-	-	-	(7)	(0)	(16)	-	-	-
Dalmia Refractories Limited	KMP Controlled	Mar-18	-	-	-	-	-	-	-	14	0	7	-	-	-
		Mar-17	-	-	-	-	-	-	-	(16)	(0)	(4)	-	-	-
Glow Home Technologies Pvt Limited	KMP Controlled	Mar-18	-	-	-	-	-	-	-	0	-	-	-	-	-
		Mar-17	-	-	-	-	-	-	-	(0)	-	-	-	-	-
Kanika Investment Limited	KMP Controlled	Mar-18	-	-	0	3	-	16	41	-	-	-	-	-	-
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP Controlled	Mar-18	-	-	-	-	-	-	-	-	-	0	-	-	-
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Nirman Limited	KMP Controlled	Mar-18	-	-	-	-	-	-	-	-	-	-	8	-	-
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Gautam Dalmia	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	11	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	(4)	(0)
Shri Jayesh Doshi	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	4	-
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	(6)	-
Shri Puneet Yadu Dalmia	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	23	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	(23)	(0)
Radhikapur (West) Coal Mining Private Limited	Joint Venture	Mar-18	-	-	0	-	-	-	-	-	-	-	-	-	-
		Mar-17	-	-	(0)	-	(5)	-	-	-	-	-	-	-	-
Shri J.H. Dalmia	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	6	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	(3)	(0)
Shri Y. H. Dalmia	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	8	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	(3)	(0)
P.K. Khaitan	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Shri V.S. Jain	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Smt. Sudha Pillai	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Shri N. Gopalaswamy	KMP	Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	0
		Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Total		**Mar-18**	0	3	0	3	-	16	41	22	0	29	8	52	0
		Mar-17	-	-	(0)	-	(5)	-	-	(23)	(0)	(20)	-	(39)	(0)

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All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

36. Related Party transactions (Contd.)

C) Balance outstanding at year end: (Amount in ₹)

Name of the Related Party	Nature of related party	Year	Amounts Receivable	Amounts Payable	Interest Receivable	Interest Payable	Loans payable	Directors Commission Payable	Remu-neration payable	Loans / Advance receivable
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	Mar-18	2	0	-	-	-	-	-	-
		Mar-17	(1)	(0)	-	-	-	-	-	-
Dalmia Refractories Limited	KMP Controlled	Mar-18	1	2	0	-	-	-	-	-
		Mar-17	(0)	(1)	(0)	-	-	-	-	(0)
Glow Home Technologies Pvt Limited	KMP Controlled	Mar-18	-	-	-	-	-	-	-	-
		Mar-17	-	(0)	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint venture	Mar-18	-	-	-	1	5	-	-	-
		Mar-17	-	-	-	(0)	(5)	-	-	-
Mr. N. Gopalaswamy	KMP	Mar-18	-	-	-	-	-	0	-	-
		Mar-17	-	-	-	-	-	(0)	-	-
Mrs. Sudha Pillai	KMP	Mar-18	-	-	-	-	-	0	-	-
		Mar-17	-	-	-	-	-	(0)	-	-
Mr. Puneet Yadu Dalmia	KMP	Mar-18	-	-	-	-	-	-	6	-
		Mar-17	-	-	-	-	-	-	(17)	-
Total		**Mar-18**	**3**	**2**	**0**	**1**	**5**	**0**	**6**	**-**
		Mar-17	**(1)**	**(1)**	**(0)**	**(0)**	**(5)**	**0**	**(17)**	**(0)**

D) Compensation of key management personnel of the Company:- (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits	47	35
Termination benefits	4	2
Post- employment gratuity	0	1
Share-based payment transactions	1	1
Total compensation paid to key management personnel	**52**	**39**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

E) Directors' interests in the Employees stock option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices: (Amount in ₹)

Grant Date	Expiry Date	Exercise Price (Rs.)	March 31, 2018 Number outstanding	March 31, 2017 Number outstanding
January 29, 2015	January 29, 2021	217.23	45,000	54,000
February 03, 2016	February 03, 2022	383.53	13,500	15,000
Total			**58,500**	**69,000**

F) The transactions with related parties have been made on terms equivalent to those that prevail in arm length transactions.

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All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

37. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹)

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
Financial assets carried at amortised cost				
Loans and advances to employees	17	13	17	13
Security deposit	63	52	63	52
Incentives receivable	1,171	778	1,171	778
Loan to others	78	105	78	105
Deposit with banks having remaining maturity of more than twelve months	18	6	18	6
Other Financial Assets	10	9	10	9
Financial assets carried at fair value through statement of profit or loss				
Derivative Instruments	81	18	81	18
Investment in equity shares	41	41	41	41
Investment in mutual funds	2,177	2,071	2,177	2,071
Investment in non-trade bonds	218	-	218	-
Investment in bonds/ fund	4	5	4	5
Financial assets carried at fair value through other comprehensive income				
Investment in LLP	486	132	486	132
Investment - Equity shares (Quoted)	486	397	486	397
Financial Liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	7,266	8,039	7,266	8,039
Security deposit received	491	390	491	390
Financial liabilities carried at fair value through statement of profit and loss				
Derivative Liability	2	7	2	7

The Group assessed that trade and other short-term receivables, cash and cash equivalents, other bank balances, trade payables, interest accrued but not due on borrowings, director's commission payable, payable for capital expenditure, purchase consideration payable are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Long-term fixed-rate and variable-rate receivables/ deposit are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(b) The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

37. Fair Values (Contd.)

(c) The fair value of quoted mutual funds are based on quoted market price at the reporting date.

(d) The fair values of the derivative financial instruments are determined using valuation techniques, which employs the use of market observable inputs. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

(e) The fair values of the Group's interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

38. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018: (Amount in ₹)

Particulars	Carrying Value March 31, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	17	-	-	17
Security deposit	63	-	-	63
Incentives receivable	1,171	-	-	1,171
Loan to others	78	-	-	78
Other Financial Assets	10	-	-	10
Financial liabilities carried at amortised cost				-
Borrowings (including current maturity of long term borrowings)	7,266	-	-	7,266
Security deposit received	491	-	-	491
Measurement				
Financial assets carried at fair value through statement of profit or loss				
Derivative Instruments	81	-	81	-
Investment in equity shares	41	41	-	-
Investment in mutual funds	2,177	-	2,177	-
Investment in non-trade bonds	218	218	-	-
Investment in bonds/ fund	4	-	4	-
Financial liabilities carried at fair value through statement of profit and loss				
Derivative Liability	2	-	2	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

38. Fair value hierarchy (Contd.)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017: (Amount in ₹)

Particulars	Carrying Value March 31, 2017	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	14	-	-	14
Security deposit	51	-	-	51
Incentives receivable	778	-	-	778
Loan to others	105	-	-	105
Other Financial Assets	9	-	-	9
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	8,039	-	-	8,039
Security deposit received	391	-	-	391
Measurement				
Financial assets carried at fair value through statement of profit or loss				
Derivative Instruments	18	-	18	-
Investment in equity shares	41	41	-	-
Investment in mutual funds	2,071	-	2,071	-
Investment in bonds/ fund	5	-	5	-
Financial liabilities carried at fair value through statement of profit and loss				
Derivative Liability	7	-	-	7

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

39. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations

The Group is exposed to market risk, credit risk and liquidity risk. The Group senior management oversees the management of these risks and also ensure that the Group financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

Derivatives are used exclusively for hedging purposes and not as trading for speculative instruments. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

39. Financial risk management objectives and policies (Contd.)

cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in ₹)

Particulars	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2018		
INR	+ 50 BPS	(13)
INR	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	1
EURO	+ 50 BPS	(3)
EURO	- 50 BPS	3
March 31, 2017		
INR	+ 50 BPS	1
INR	- 50 BPS	(11)
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(0)
EURO	- 50 BPS	0

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

39. Financial risk management objectives and policies (Contd.)

The Group's exposure to foreign currency changes for currencies other than USD and EURO are not material.

(Amount in ₹)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+5%	(34)	(34)
March 31, 2018	-5%	34	34
March 31, 2017	+5%	(22)	(22)
March 31, 2017	-5%	22	22
	Change in Euro rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+5%	(2)	(2)
March 31, 2018	-5%	2	2
March 31, 2017	+5%	(2)	(2)
March 31, 2017	-5%	2	2

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 (ii). The Group evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(Amount in ₹)

	Less than 180 days past due	More than 180 days past due	Total
As at March 31, 2018			
Gross carrying amount (A)	477	107	584
Expected Credit Losses (B)	3	57	60
Net Carrying Amount (A-B)	**474**	**50**	**524**
As at March 31, 2017			
Gross carrying amount (A)	468	132	600
Expected Credit Losses (B)	4	66	70
Net Carrying Amount (A-B)	**464**	**66**	**530**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, and March 31, 2017 is the carrying amounts of each class of financial assets.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

39. Financial risk management objectives and policies (Contd.)

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(Amount in ₹)

	Less than 1 Year	1 to 5 Years	More than 5 years	Total
As at March 31, 2018				
Borrowings	1,808	3,610	1,848	7,266
Trade payables	933	-	-	933
Other financial liabilities	628	5	-	633
As at March 31, 2017				
Borrowings	1,876	3,820	2,342	8,038
Trade payables	890	-	-	890
Other financial liabilities	646	1	-	647

40. Capital management

For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Long term borrowing	5,459	6,254
Short term borrowing	863	1,233
Current maturities of long term borrowings	944	552
Less : Cash and Cash Equivalents	323	138
Less : Current investments	3,408	2,641
Net Debt (A)	**3,535**	**5,260**
Equity	10,335	9,629
Capital and net debt (B)	**13,870**	**14,889**
Gearing ratio (A/B)	**25.49%**	**35.33%**

To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

41. Movement of provision during the year:

(Amount in ₹)

Particulars	Mines reclamation provision	Export promotion capital goods	Contingencies	Total
As at March 31, 2016	25	56	104	185
Additions during the year	3	2	6	11
Utilized during the year	-	-	(3)	(3)
As at March 31, 2017	28	58	107	193
Additions during the year	3	7	6	16
Utilized/Reversed during the year	-	(37)	(76)	(113)
As at March 31, 2018	31	28	37	96

Mines reclamation provision

The Group records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss.

Export promotion capital goods

In earlier years, the Group had imported certain plant and machinery under EPCG scheme after payment of concessional custom duty for which it had assumed export obligation to be fulfilled as per the provisions of the said scheme. As at the balance sheet date, the management has, based on its latest business plan, estimated that the Group will not be able to fulfil a portion of the export obligation within the stipulated time and consequently has made adequate provisions in books of accounts.

The Group has made exports during the current year as well as in earlier years, which are considered for fulfilment of export obligation of the Group, pursuant to merger of ACL with DCBL w.e.f. January 1, 2015 as described in note 51, as per the Foreign Trade Policy, and based on the latest business plan of the group as at the year end, the management is confident that group will be able to fulfil the entire export obligation within the stipulated time and no provision is required in the books of accounts as at the year end.

Accordingly, provision made towards non-fulfilment of export obligation has been reversed during the year. The reversal of such provision has been adjusted from the accounts of (i) Deposits and balances with government departments and other authorities; (ii) interest expense – others; and (iii) balance amount is included under other income.

Contingencies

The Group has made provision in respect of probable contingent liabilities. The Group has assessed that the probability of paying this amount is high. This provision was created for arbitration in respect of coal and other contingencies. The Group has, during the year, settled most of such cases.

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

Parent Company

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Statutory auditors		
a) As an auditor		
i) Statutory audit fee	0	0
ii) Tax Audit fee	0	0
iii) For Limited review	0	0
In other capacity		
i) Certification fee	0	0
Reimbursement of expenses	0	0

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

42. Remuneration paid to auditors (included in Miscellaneous Expenses) (Contd.)

Subsidiaries

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
A. Statutory Auditors		
As an auditor		
i) Statutory audit Fee	2	2
ii) Tax Audit Fees	0	0
iii) Limited Review Fee	1	1
In other capacity		
i) Company law matter/ Other matters	0	0
ii) Certification Fee	1	0
Reimbursement of expenses	**0**	**0**
B. Cost auditors		
I) Audit fee	0	0

43. During the year, the Group has incurred expenditure related to acquisition/construction of Property, plant & equipment and therefore accounted for the same as pre-operative expenses under Capital work in progress. Details of such expenses capitalised and carried forward as part of capital work in progress are given below

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Brought forward from last year	5	8
Expenditure incurred during the year		
Employee benefit expenses	12	0
Other Expenses		
Rent	0	
Insurance	0	
Professional expenses	24	0
Miscellaneous expenses	7	3
Interest and financial charges	12	0
Trial Run Expenditure		
Power and Fuel	0	
Insurance	-	0
Miscellaneous expenses	-	0
Total expenses for the year	55	3
Less: Income		
Sales from trial production	-	0
Miscellaneous Income	-	0
Net expense for the year	55	3
Grand Total	**60**	**11**
Less: Capitalised during the year	14	6
Carried forward as part of Capital Work in Progress	46	5

44. In 2011-12 the Group had initially acquired 14.59% stake in Calcom Cement India Limited (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a company owned by the erstwhile promoters of Calcom) and the erstwhile promoters of Calcom. During the year 2012-13, revised agreements were entered in to increase the Company's nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including

44. (Contd.)

keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with the Company, to be released at a future date upon satisfaction of certain conditions. The Company has invested a total amount of Rs. 260 (March 31, 2017: Rs. 260) and Rs. 59 (March 31, 2017: Rs. 59) respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

The OCDs are non-interest bearing and are secured by the pledge of equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Company has an option either to get the debentures redeemed for an aggregate amount of Rs. 59 or convert into equity shares constituting 99.99% shareholding of SSPL.

Apart from the above investments, the Company has granted loans to Calcom (including its subsidiaries) to the extent of Rs. 434 (excluding interest and trade receivable of Rs. 65) as at March 31, 2018 (March 31, 2017: Rs. 327 (excluding interest and trade receivable of Rs. 94)) to fund its ongoing projects as well as losses. Calcom Cement India Ltd. continues to provide required supports to its subsidiaries.

Calcom has, on consolidated basis, earned profit of Rs.16 during the year ended March 31, 2018 (March 31, 2017: losses of Rs. 38). However, Calcom has accumulated losses of Rs. 472 as at March 31, 2018. Keeping in view of its nature of long term strategic investment and business projections of Calcom, no impairment has been considered for carrying cost of investments and loans/ advances given to Calcom. The Company, being the holding company of Calcom Cement India Ltd., continues to provide required supports to Calcom Cement India Ltd. and its subsidiaries.

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

The Group has made an investment of Rs 2 in shares of Khappa Coal Company Private Limited and given advance against share application money of Rs. 4.

Consequent upon decision of Hon'ble Supreme Court of India for cancellation of coal block vide order dated September 24, 2014, the Group has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to Rs.6 in earlier years.

46. In respect of license granted for captive mining block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on March 29, 2010 in which the Group's interest jointly with OCL Iron & Steel Limited (OISL) is 14.69%. The Group has invested Rs. 7 (PY Rs.7) in equity shares of the JV Company which includes Rs. 4 (PY Rs.4) being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Government of India and other Joint Venture Partners. Consequent upon decision of the Hon'ble Supreme Court of India cancelling the allocation of Coal block, vide Order dated September 24, 2014, the Group is in the process of assessing the recoverability of the amounts invested of Rs. 4 in the Joint Venture Company, Radhikapur (West) Coal Mining Private Ltd. As a matter of prudence, a provision for similar amount has been made in the accounts during the earlier years.

47. Income Tax department has carried out Search operation in the Office premises of its subsidiary and step down subsidiary namely ACL {now a unit of Dalmia Cement (Bharat) Limited} and Calcom Cement India Limited on March 11, 2016. Investigation process was completed on May 3, 2016. Recently, Unit of DCBL has received notice under Section 153A of the Income Tax Act, 1961 to file returns under block assessment which has been filed before due date. Impact of the search, if any, can be ascertained only after completion of assessment, however as of now management don't perceive any financial impact / obligation.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

49. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on Jan 15, 2016 and by its shareholders in their EGM held on Feb 11, 2016.

The Board of the Company vide its meeting held on Apr 20, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on Apr 21, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of Rs. 588. has been received by the Company and its subsidiary, from KKR on Apr 28, 2017. The purchase price of equity shareholding of DCBL in the books of Company and its subsidiary has been reduced by such amounts received from KKR. Appropriate accounting treatment for the same has been accorded in FY 2017-18 as required under the applicable accounting standards

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

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Cost of materials consumed	301	268
Repairs and maintenance - Plant and machinery	87	70
Power and fuel	75	67
Depot expenses	3	3
Miscellaneous expenses	3	0
Total	**469**	**408**

These expenses if reclassified on 'nature of expense' basis will be as follows: (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Salary, wages and bonus	29	24
Consumption of stores & spare parts	146	116
Sundry sales / income	(8)	(20)
Rent	7	0
Repairs and maintenance - Plant and machinery	84	80
Repairs and maintenance - Buildings	1	1
Repairs and maintenance - Others	0	0
Advertisement and sales promotion	3	3
Rates & taxes (including royalty on limestone)	173	175
Insurance	0	0
Miscellaneous expenses	16	14
Professional charges	0	0
Power and fuel	18	15
Total	**469**	**408**

51. Accounting and Disclosures for Schemes of Arrangement and Amalgamation:

i) **Scheme 2 - Transfer of Undertakings of DCB Power Ventures Limited (DCBPVL) by way of slump sale and amalgamation of ACHL into the Company's subsidiary DCBL.**

(a) **Transfer of Undertakings of DCB Power Ventures Limited (DCBPVL) by way of slump sale on going concern basis**

All the assets and liabilities as at January 1, 2015 (Appointed Date) of the undertakings of DCBPVL have been transferred to DCBL, for a lump sum consideration of Rs. 95 payable by DCBL to DCBPVL, which was discharged by issuance of Promissory Note by DCBL to DCBPVL. The aforesaid assets and liabilities were recorded by DCBL based on the purchase price allocation report obtained from an independent valuer.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

51. Accounting and Disclosures for Schemes of Arrangement and Amalgamation (Contd.)

In accordance with Scheme 2, investment held by DCBL in DCBPVL amounting to Rs. 91 stands cancelled and adjusted against the Business Restructuring Reserve on the Appointed Date January 1, 2015 and amalgamation of residual DCBPVL into Dalmia Power Limited (DPL) from Appointed Date January 1, 2015 on account of this, DCBPVL stand liquidated without winding up and amalgamated with DPL

The title deeds for immovable properties, licenses, agreements of the purchased undertakings are in the process of being transferred in the name of the DCBL.

(b) Amalgamation with Adwetha Cement Holdings Limited (ACHL) into DCBL

DCBL has accounted for the amalgamation of ACHL under the "Purchase Method" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and as per provision of Scheme 2 as approved by the Hon'ble NCLT.

Upon Scheme 2 being effective, in consideration of the transfer and vesting of the entire undertaking of ACHL, the shareholders of ACHL as on the Record date (to be fixed) shall be paid Rs.10/- for every equity share held in ACHL. Also, the authorised equity share capital of ACHL of Rs. 0 (Rs. 10 Lakh) divided into 1,00,000 equity shares of Rs. 10 each stands merged with that of the authorised equity share capital of DCBL without any further act, instrument or deed or without payment of any additional fees and duties.

The following accounting treatments have been given in the books of DCBL as defined in Scheme 2:-

(1) All the assets and liabilities of ACHL have been recorded at their fair value as on Appointed Date (i.e. March 15, 2016);

(2) Investment held by ACHL of Rs. 600 in DCBL, taken over DCBL stands cancelled pursuant to Scheme 2. Share capital of the Company of Rs. 19 to the extent of face value of shares held by ACHL, stands cancelled;

(3) All inter-corporate balances and obligations (including deposits, loans and advances, outstanding balances or other obligations) between DCBL and ACHL stands cancelled;

(4) The excess of consideration payable and cost of shares held by ACHL in DCBL cancelled over the fair value of net assets taken over and the face value of the shares of DCBL cancelled amounting to Rs. 583 has been recognised as Goodwill acquired on amalgamation and is being amortised over the period of 5 years from the Appointed Date in accordance with the provisions of Scheme 2.

The proceeds of Rs. 289 received by ACHL from KKR Mauritius Cements Investments Limited ('KKR') (erstwhile shareholder of DCBL) in April 2017, which were accounted for by ACHL as reduction in cost of ACHL's investment in equity share capital of DCBL, have been netted off by DCBL from carrying value of goodwill (arising on amalgamation) as on April 27, 2017. The remaining carrying value of goodwill, net of proceeds from KKR, is being amortised over remaining tenure until March 14, 2021.

The title deeds for bank accounts, loan documents etc. of ACHL are in the process of being transferred in the name of DCBL.

II) **Scheme 3-** Scheme of Arrangement and Amalgamation amongst Dalmia Cement (Bharat) Limited ("DCBL") and its subsidiary and Step down subsidiaries i.e., Adhunik Cement Limited ("ACL") and Adhunik MSP Cement (Assam) Limited ("ACAL") ("Scheme 3") with appointed date i.e. January 1, 2015 has been approved Pursuant to the Scheme becoming effective, ACL and ACAL stand liquidated without winding up and amalgamated with DCBL.

DCBL has accounted for the amalgamation in accordance with the requirement of Accounting Standard 14 "Accounting for Amalgamations" notified under Section 133 of the Companies Act, 2013 and provisions of the Scheme as approved by the Hon'ble NCLT.

51. Accounting and Disclosures for Schemes of Arrangement and Amalgamation (Contd.)

There are no consideration payable/ shares issued by DCBL to the shareholders of ACL and ACAL (Transferor Companies) as a result of amalgamation. The following accounting treatments have been given in the books of DCBL as defined in Scheme 3:-

(a) All the assets and liabilities of ACL and ACAL have been recorded at their fair value as on Appointed Date (i.e. January 1, 2015)

(b) Investment in the books of ACL and DCBL, representing equity shares of Transferor Companies stand cancelled and no shares or consideration is issued/ payable by the DCBL in respect of such cancelled shares.

(c) Loans and advances (including outstanding balances or other obligations) inter-se between the Transferor Companies and the DCBL stand cancelled;

(d) The DCBL has carried out fair valuation of mining rights of the mines of ACL (amalgamated with the DCBL from the appointed date January 1, 2015). A sum of Rs. 194 has been assigned to these mining rights, based on the valuation report obtained from an Independent Valuer;

(e) The excess of cost of investment in Transferor Companies defined in (b) above cancelled over the fair value of net assets including mining rights taken over from Transferor Companies amounting to Rs. 16, has been recorded in Goodwill account, represented by underlying intangible assets acquired on amalgamation.

iii) Scheme 1 – Slump Sale of Business Undertakings of OCL and DCEL to the Company on going concern basis and Amalgamation of residual OCL, residual DCEL, SRSHL and DBCHL with the Company

(a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and provisions of Scheme 1 as approved by the Hon'ble NCLT.

(b) All the assets and liabilities of OCL and DCEL forming part of specified Business Undertakings as at January 1, 2015 (Appointed Date) have been transferred to the Company by way of slump sale on going concern basis.

(c) Subsequent to above slump sale, residual OCL (excluding specified Business Undertakings) and residual DCEL (excluding specified Business Undertakings), SRSHL and DBCHL shall be amalgamated with the Company from the Appointed Date.

(d) All the assets and liabilities of OCL, DCEL, DBCHL and SRSHL have been recorded by the Company at their fair value as on the Appointed Date.

(e) Loans and advances (including outstanding balances or other obligations) inter-se between the Transferor Companies and the Company stand cancelled.

(f) The Company has obtained fair valuation of certain intangible assets acquired from OCL & DCEL (amalgamated with the Company from the appointed date January 1, 2015). A sum of Rs. 1462 has been assigned to these intangible assets, based on the Purchase Price Allocation report obtained from an Independent Valuer.

(g) Upon effectiveness of Scheme 1, OCL, DCEL, SRSHL and DBCHL stand dissolved without winding up. The company has issued and allotted (a) equity shares to the shareholders of OCL, in the ratio of 1:1, which is being listed on National Stock Exchange of India Limited and BSE Limited, pursuant to the merger of OCL into the Company; and (b) Optionally Convertible Redeemable Preference Shares to Dalmia Cement (Bharat) Limited ("DCBL") being the shareholder of DBCHL, pursuant to the merger of DCEL, SRSHL and DBCHL into the Company, considering the record date as on October 26, 2018. Pending share allotment as on March 31, 2018, the total amount including securities premium is shown as 'Share Capital Suspense Account'.

(h) The excess of fair value of shares to be issued as purchase consideration over the net assets including the intangible assets acquired from Transferor Companies, has been recorded as Goodwill represented by underlying intangible assets acquired on amalgamation.

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

51. Accounting and Disclosures for Schemes of Arrangement and Amalgamation (Contd.)

(i) The Statement of Assets & Liabilities as at the Appointed Date, acquired & recorded by the Company pursuant to the Scheme 1 is set out below:

	Rs
Assets Acquired	
Property, Plant & Equipment	2,219
Identified Intangible Assets	1,462
Capital Work in Progress	133
Other Non-Current Assets	84
Current Assets	1,332
Liabilities Assumed	
Non-Current Liabilities	(1,410)
Current Liabilities	(1,006)
Net Identifiable Assets (A)	**2,814**
Consideration for the above (B)	**4,344**
Goodwill on restructuring* (C) = (B-A)	**1,530**

*Goodwill amounting to Rs 1530 comprises of other intangible assets namely Assembled Workforce, Rail Access Rights, Incentives and Technical Knowhow

The above mentioned fair valuation of assets and liabilities is based on Purchase Price Allocation report issued by an independent Valuer.

(j) The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Transferor Companies are in the process of being transferred in the name of the Company.

Subsequently, the name of the Company is in the process of being changed to "OCL India limited

iv) **Scheme 4 – Amalgamation of Erstwhile Dalmia Bharat Limited with the company and transfer of Specified Business Undertakings of the Company by way of slump exchange sale to DCBL on going concern basis**

a) **Amalgamation of Erstwhile Dalmia Bharat Limited (DBL) with the Company**

(a) Pursuant to the scheme becoming effective, face value of all existing equity shares of Rupees 10/- each of the Company will be reduced to Rupees 2/- each, such that the number of issued and paid up equity shares of the Company remains unchanged (i.e. 5,69,00,220 shares) but the paid-up value of equity share capital of the Company is reduced from Rs. 57 to Rs. 11

(b) The amalgamation of erstwhile DBL with the Company has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and as per the provisions of Scheme 4 as approved by the Hon'ble NCLT.

(c) Save as provided in point (d) below, all the assets and liabilities recorded in the balance sheet as at January 1, 2015 (Appointed Date) of the erstwhile Dalmia Bharat Limited ("DBL") were recorded at their respective carrying amount by the Company in terms of provisions of approved NCLT Scheme.

(d) The Company has recorded Brand and Goodwill (having underlying intangible assets) upon amalgamation at their respective fair value. A sum of Rs. 1,782 and Rs 1333 have been assigned to the Brand and Goodwill (having underlying intangible assets) respectively, based on the Valuation report obtained from an Independent Valuer.

(e) Pursuant to Scheme 4 becoming effective, DBL stands dissolved without winding up. The Company shall issue and allot equity shares to the shareholders of DBL as on the record date, in the ratio of 2:1, which shall be listed on National Stock Exchange of India Limited and BSE Limited, pursuant to the merger of DBL into the Company. The company is in the process of fixing Record Date for the above issue of share.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

51. Accounting and Disclosures for Schemes of Arrangement and Amalgamation (Contd.)

(f) Details of assets and liabilities of erstwhile DBL, acquired & recorded by the Company, as at January 1, 2015 is as under:

	Rs
Property Plant and Equipment	7
Intangible Assets	1,782
Goodwill having underlying Intangible Assets#	1,333
Investments	443
Other Assets	175
Liabilities	(30)
Value of net assets recorded by the Company [A]	**3,710**
Consideration Discharged [B]	**20,799**
Residual Goodwill * [C = B - A]	**17,089**

#Goodwill represents underlying intangible assets namely Knowhow of Rs. 1,333.

*Residual Goodwill of Rs 17,089 has been adjusted with Securities Premium (including securities premium recorded on issuance of shares pursuant to amalgamation) as per accounting treatment as specified in the NCLT approved scheme.

(g) Further 4,24,79,273 equity shares of face value of 2 each of the Company and 3,43,00,000 OCRPS of face value 10 each of the Company held by DCBL, shall stand cancelled and extinguished.

(h) Subsequently, upon the scheme becoming effective, name of 'OCL India Limited' (i.e., the new name to be given to the company in terms of Scheme 1 above upon the same becoming effective) shall be changed to 'Dalmia Bharat Limited'.

b) **Transfer of Specified Business Undertakings of the Company to DCBL by way of slump sale**

Subsequent to giving effect of the amalgamation of DBL with the Company as above, all the assets (including goodwill and/ or intangible assets recorded pursuant to Scheme 1 and Scheme 4) and liabilities forming part of specified Business Undertakings of the company as at January 1, 2015 (Appointed Date) have been transferred to DCBL pursuant to Slump Exchange on going concern basis. These assets & liabilities forming part of specified Business Undertakings have been recorded by DCBL as per Purchase Price Allocation report prepared by an independent valuer in accordance with Accounting Standard - 10 (AS 10) notified under Section 133 of the Companies Act, 2013 (Indian GAAP).

The consideration for the Slump Exchange of RS 6,200 shall be discharged by DCBL by issuing 79,794,080 equity shares of Rupees 10/- each fully paid up at a premium of Rupees 767/- per share to the Company on agreed terms and conditions for which Record Date is yet to be fixed.

The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Business Undertakings are in the process of being transferred in the name of DCBL.

Consequent to Schemes as mentioned above becoming effective, financial information in the financial statements of the Company for the previous financial year 2016-17 are restated with effect from April 1, 2016 (being the earliest period presented) to account for the Scheme of Arrangement and Amalgamation as per applicable accounting standards notified u/s 133 of the Company Act, 2013.

52. The financial statements of the Group for the year ended March 31, 2018 were earlier approved by the Board of Directors at its meeting held on May 18, 2018 and reported upon by the statutory auditors vide their report dated May 18, 2018. The said accounts did not include the effect of:

a) Scheme of Arrangement and Amalgamation ("Scheme 1") amongst the Company, OCL India Limited (OCL), Dalmia Bharat Cements Holdings Limited (DBCHL), Dalmia Cement East Limited (DCEL), Shri Rangam Securities & Holdings Limited (SRSHL), which involves (i) transfer and vesting of specified Business Undertakings of OCL and DCEL to the

52. (Contd.)

Company by way of slump sale on a going concern basis; (ii) amalgamation of residual OCL, residual DCEL, DBCHL and SRSHL with the Company; (c) change in name of the Company to 'OCL India Limited'; and

b) Scheme of Arrangement and Amalgamation ("Scheme 4") amongst the Company, erstwhile Dalmia Bharat Limited (DBL) and Dalmia Cement (Bharat) Limited (DCBL), which involved (a) reduction and reorganization of authorised, issued, subscribed and paid up share capital of the Company; (b) amalgamation of erstwhile DBL with the Company; (c) reduction of entire issued, subscribed and paid-up share capital of the Company held by DCBL; (d) Slump Exchange of specified Business Undertakings of the Company to DCBL; and (e) change in name of 'OCL India Limited' (i.e., the new name to be given to the Company in terms of Scheme 1 above upon the same becoming effective) to 'Dalmia Bharat Limited'.

c) The Group had taken all requisite steps towards fulfilment of various conditions mentioned in the Scheme including the procedural formalities for updating records for mining leases and in the larger benefit and interest of the stakeholders, the Board of Directors of the Company has approved to implement the aforesaid Schemes effective from the Appointed Date, (January 1, 2015).

d) Scheme 1 and Scheme 4 was implemented by the Board of Directors of all the transferor and transferee companies from October 26, 2018 and October 30, 2018 respectively. Accordingly, Scheme 1 and Scheme 4 became effective on October 26, 2018 and October 30, 2018 respectively. Upon the Schemes becoming effective, OCL, DECL, SRSHL, DBCHL and erstwhile DBL stands dissolved without winding up.

In light of above, the Board of Directors have decided to update the financial statements/accounts of the Company for the year ended March 31, 2018 to incorporate the effect of the aforesaid Schemes and accordingly these financial statements have been updated for giving consequential effect to the Schemes.

53. Dalmia Cement (Bharat) Limited ("DCBL"), a subsidiary Company, submitted a Resolution Plan ("RP") pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") for revival/ acquisition of Kalyanpur Cements Limited (KCL) (since renamed as Dalmia DSP Limited) to the Resolution Professional. The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated January 31, 2018 has approved the RP submitted by the Company. RP provides for payment of Rs. 353. KCL, the only integrated cement manufacturing plant in Bihar (Distt. Rohtas) has an installed cement capacity of 1.1 MnT. The plant has been in operation till August, 2017 and temporarily discontinued operations thereafter due to working capital constraints. This acquisition would help the Company to further consolidate its cement footprint in Eastern Region and provide enhanced synergy benefits. Necessary actions to implement the RP are in progress. In terms of the RP, DCBL has paid an amount of Rs.43 (including security deposit of Rs. 5) till March 31, 2018.

DCBL has also filed RP pursuant to the provisions of IBC to the Resolution Professional appointed for revival of Murli Industries Limited (MIL) which has been recommended by the Committee of Creditors to the Hon'ble National Company Law Tribunal, Mumbai Bench for its approval. MIL has an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur district, Maharashtra along with a captive thermal power plant of 50 MW. In addition MIL also has paper and solvent extraction units in Maharashtra. Following receipt of requisite approvals, RP provides for payment of Rs. 402 by DCBL. This acquisition, after its approval by NCLT, would help the Group to further consolidate its footprint in Western region.

54. The Board of erstwhile OCL India Limited (now a unit of DCBL), a subsidiary of the Company, has decided to set up a new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part India with cement manufacturing capacity of 8 MnTPA with the total investment of Rs. 3,720. With this new capacity, the Group will further increase its market share in growing market of Eastern India.

The project will be completed within 24 months post all statutory and regulatory clearances and the project will be financed through judicious mix of debt and equity.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

55. The Group comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2018	Percentage of Ownership held as at March 31, 2017
Subsidiaries			
Dalmia Cement (Bharat) Limited	India	100%	100%
Dalmia Power Limited	India	100%	100%
Kanika Investments Limited (up to 17-09-2017)	India	-	100%
Subsidiaries of Dalmia Cement (Bharat) Limited			
Arjuna Brokers & Minerals Limited (up to 29-01-2018)	India	-	100%
Bangaru Kamakshi Amman Agro Farms Private Limited	India	100%	100%
Calcom Cement India Limited	India	76%	76%
D.I. Properties Limited	India	100%	100%
Dalmia Minerals & Properties Limited	India	100%	100%
Geetee Estates Limited	India	100%	100%
Golden Hills Resorts Private Limited	India	100%	100%
Hemshila Properties Limited	India	100%	100%
Ishita Properties Limited	India	100%	100%
Rajputana Properties Private Limited	India	100%	100%
Jayevijay Agro Farms Private Limited	India	100%	100%
Shri Rangam Properties Limited	India	100%	100%
Shri Radha Krishna Brokers & Holdings Limited (up to 29-01-2018)	India	-	100%
Sri Dhandauthapani Mines & Minerals Limited	India	100%	100%
Sri Madhusudana Mines & Properties Limited	India	100%	100%
Sri Shanmugha Mines & Minerals Limited	India	100%	100%
Sri Swaminatha Mines & Minerals Limited	India	100%	100%
Sri Subramanya Mines & Minerals Limited	India	100%	100%
Sri Trivikrama Mines & Properties Limited	India	100%	100%
Alsthom Industries Limited (w.e.f. 12-12-2016)	India	99.99%	80%
Chandrasekara Agro Farms Private Limited (w.e.f. 20-01-2018)	India	100%	-
OCL Global Limited	Mauritius	100%	100%
Step Down subsidiaries of Dalmia Cement (Bharat) Limited			
Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
OCL China Limited [(subsidiary of OCL Global Limited]	China	90%	90%
RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
Associate			
Dalmia Renewable Energy Limited(w.e.f. February 6, 2017)	India	49%	49%
Joint Venture			
Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited (JV of erstwhile OCL India Limited now unit of DCBL)	India	7.03%	7.03%

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

56. Disclosure as required by Ind AS 108, Operating Segments

Identification of segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in Ind AS-108.

Operating segments identified as follows:

a) Cement division

b) Refractory division

c) Others

Segment revenue and results:

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as part of unallocable assets/liabilities.

Inter segment transfer:

As per practice consistently followed, inter segment transfers for capital jobs recognised at cost and for other jobs at estimated realisable value. Profit or loss on inter segment transfers are eliminated at the Group level.

(a) Summary of segmental information as at and for the year ended March 31, 2018 is as follows :- (Amount in ₹)

Particulars	Cement	Refractory	Others	Total Segment
Revenue				
Revenue	8,321	432	373	9,126
Less: Inter/ Intra segment revenue	175	123	-	298
Net Revenue	**8,146**	**309**	**373**	**8,828**
Results				
Segment result	1,590	6	1	1,597
Less: Finance costs				690
Less: Depericiation and amortisation	779	13	4	796
Add: Other unallocable income net of unallocable expenditure				278
Profit/(loss) before tax				**389**
Tax expense				98
Add: Share of profit in associates and joint venture				-
Less: Share of non controlling interest				(1)
Profit after tax				**292**
Segment assets	16,879	421	131	17,431
Segment liabilities	2,852	74	204	3,130
Other disclosures				
Depreciation	1,196	13	4	1,213
Capital expenditure	328	7	-	335

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

56. Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(b) Summary of segmental information as at and for the year ended March 31, 2017 is as follows :- (Amount in ₹)

Particulars	Cement	Refractory	Others	Total Segment
Revenue				
Revenue	7,911	402	123	8,436
Less: Inter/ Intra segment revenue	0	8	88	96
Net revenue	**7,911**	**394**	**35**	**8,340**
Results				
Segment result	1,434	(25)	24	1,433
Less: Finance costs				856
Less: Depericiation and amortisation	720	15	4	739
Add: Other unallocable income net of unallocable (expenditure)				270
Profit/(loss) before tax				**108**
Tax expense				74
Add: Share of profit in associates and joint venture				0
Less: Share of non controlling interest				(10)
Profit after tax				**44**
Segment assets	17,633	408	146	18,187
Segment liabilities	3,054	75	233	3,362
Other disclosures				
Depreciation	1,206	16	4	1,226
Capital expenditure	379	4	1	384

(c) Reconciliations to amounts reflected in the financial statements (Amount in ₹)

		March 31, 2018	March 31, 2017
(i)	**Reconciliation of profit before tax**		
	Segment profit (after depreciation)	801	694
	Adjustments		
	Unallocated expenses	(690)	(856)
	Unallocated receipts	278	270
	Profit before tax and discontinued operations	**389**	**108**
(ii)	**Reconciliation of assets**		
	Segment assets	17,431	18,187
	Adjustments:		
	Capital work in progress	168	128
	Intangible assets under development	-	-
	Non current investments	97	99
	Current investments	3,408	2,641
	Capital advance	107	119
	Advance Tax	122	86
	Unpaid dividend account	3	3
	Total assets	**21,336**	**21,263**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

All amounts stated in ₹ are in ₹ Crores except wherever stated otherwise

56. Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(Amount in ₹)

	March 31, 2018	March 31, 2017
(iii) Reconciliation of liabilities		
Segment liabilities	3,130	3,362
Long term borrowings	5,459	6,254
Current maturities of long term borrowings	944	552
Deferred tax liabilities	1,422	1,372
Capital creditors	28	66
Unclaimed dividend	4	3
Purchase consideration payable	42	51
Provision for tax	2	2
Total liabilities	**11,031**	**11,662**

The Group has common property, plant and equipment and other assets for domestic as well as overseas market. Hence, additions to property, plant and equipment and all assets have been considered as for India (based on location of assets) except for trade receivables.

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

57. Research and development (R&D) expenses

The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:- (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	3	4
- Raw materials & stores	1	1
- Others	2	0
Total	6	5
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	**6**	**5**

58. The group had previously issued its financial statements for the previous year ended March 31, 2017 as on May 10, 2017. On Scheme 1, 2, 3 and 4 becoming effective during the year as described in note 51 of the financial statements, after the issuance of financial statements for the previous year, the comparative numbers for the previous year ended March 31, 2017 have been restated after incorporating the financial statements of the erstwhile fellow subsidiary, subsidiaries and step down subsidiaries according to the Scheme of Arrangement and Amalgamation.

59. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115, Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of

59. Standards issued but not yet effective (Contd.)

revenue and cash flows arising from the entity's contracts with customers. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Group is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

As per our report of even date

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

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: October 30, 2018

For and on behalf of the Board of Directors of Odisha Cement Limited

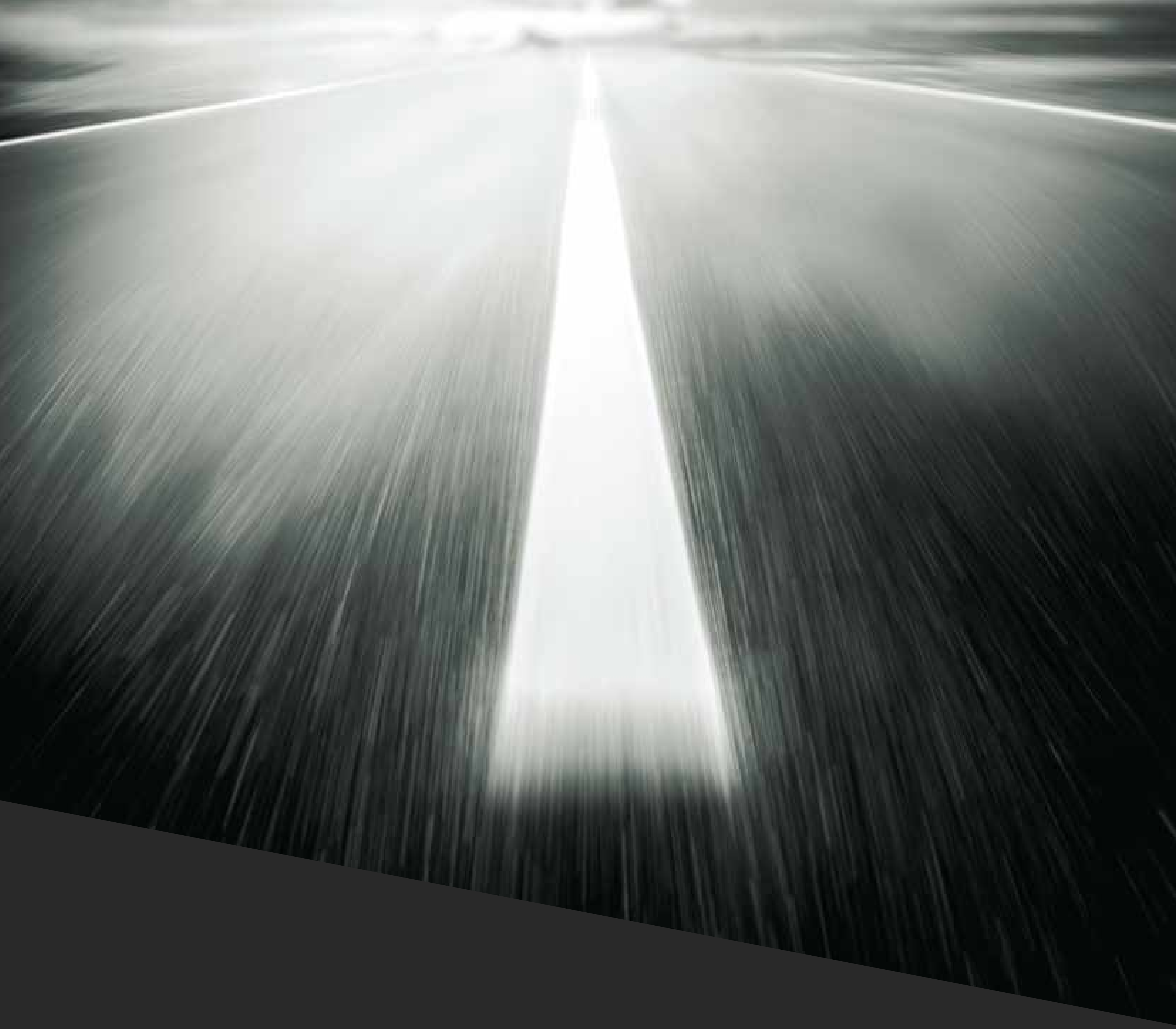
Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Notes



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