Independent Auditors' Report

To the Members of Dalmia Power Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Dalmia Power Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020
Tel: +91-11-4670 8888 **E-mail:** info@sskmin.com
www.sskmin.com

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flows statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

g) In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration during the year ended March 31, 2019. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; 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:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: April 17, 2019

Annexure A to the Independent Auditor's Report to the Members of Dalmia Power Limited dated April 17, 2019

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.

i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

ii. The Company does not have any inventory. Hence, provisions of clause 3(ii) of the Order is not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, provision of clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence, clause 3(iv) of the Order is not applicable to the Company.

v. 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 there under.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under 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 records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, , Cess, Goods and Service Tax and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Excise Duty, Goods and Service Tax and Service Tax which have not been deposited on account of any dispute.

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions, banks and Government. The Company does not have any debentures. Accordingly, clauses 3(viii) of the Order are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company.

x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. In our opinion, and according to the information and explanations given to, the Company has not paid any managerial remuneration. Hence, reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian Accounting Standards. The provisions of section 177 of the Act are not applicable to the Company and hence not commented upon.

xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred 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 & Company
Chartered Accountants
Firm's Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: April 17, 2019

Annexure B to the Independent Auditor's Report to the Members of Dalmia Power Limited dated April 17, 2019

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

We have audited the internal financial controls over financial reporting of **Dalmia Power Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. S. Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: April 17, 2019

Dalmia Power Limited

Balance Sheet as at March 31, 2019

	Note No.	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Assets			
Non - current assets			
Property, plant and equipment	2.1	11.13	11.13
Capital work in progress	2.2	32.41	133.47
Financial assets			
Investments	2.3	28.84	24.72
Other non current assets	2.4	613.38	1,778.27
Total non current assets		**685.76**	**1,947.59**
Current assets			
Financial assets			
(i) Investments	2.5	1,00,084.46	97,227.50
(ii) Cash and cash equivalents	2.6	8.87	6.86
(iii) Other financial assets	2.7	1.03	22.11
Other current assets	2.8	74.83	166.41
Total current asset		**1,00,169.19**	**97,422.88**
Total		**1,00,854.95**	**99,370.47**
Equity and liabilities			
Equity			
Equity share capital	2.9	50.00	50.00
Other equity	2.10	69,091.36	65,865.01
Total equity		**69,141.36**	**65,915.01**
Laibilities			
Non current liabilities			
Deferred tax liabilities	2.11	342.39	2,110.91
Total non current liabilities		**342.39**	**2,110.91**
Current liabilities			
Financial liabilities			
(i) Borrowings	2.12	28,111.19	28,045.45
(ii) Trade payables	2.13		
- Total outstanding dues of micro and small enterprisees		-	-
- Total outstanding dues of creditors other than micro and small enterprises		0.42	0.42
(iii) Other financial liabilities	2.14	2,724.08	2,968.49
Other current liabilities	2.15	535.51	330.19
Total current liabilities		**31,371.20**	**31,344.55**
Total		**1,00,854.95**	**99,370.47**
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements

As per our audit report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: April 17, 2019

For and on behalf of Board of Directors of Dalmia Power Limited

Rajesh Kumar Ghai	**Bharat Bhushan Mehta**
Director	Director
DIN No. 00006849	DIN No.00006890

Dalmia Power Limited

Statement of Profit and Loss for the year ended March 31, 2019

	Note No.	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
Income			
Other income	2.16	1,270.50	2,196.59
Total revenue		**1,270.50**	**2,196.59**
Expenses			
Finance cost	2.17	2,567.67	3,298.33
Other expenses	2.18	101.95	9.25
Total expenses		**2,669.62**	**3,307.58**
(Loss) before tax for the year		**(1,399.12)**	**(1,110.99)**
Tax expenses			
Current tax		0.00	52.98
Deferred tax		(2.04)	(52.98)
Net (Loss) after tax for the year		**(1,397.08)**	**(1,110.99)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Fair valuation gain on equity instrument		2,856.96	44,227.63
- Income tax relating to above item		1,766.47	-
Total comprehensive income		**3,226.35**	**43,116.64**
Earnings per equity share (Basic & Diluted) (Face Value Rs. 10/- per share)	2.19	(279.42)	(222.20)
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements

As per our audit report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No: 087294

For and on behalf of Board of Directors of Dalmia Power Limited

Rajesh Kumar Ghai	**Bharat Bhushan Mehta**
Director	**Director**
DIN No. 00006849	**DIN No. 00006890**

Place: New Delhi
Date: April 17, 2019

Dalmia Power Limited
Cash flow statement for the year ended March 31, 2019

Particulars		For the year ended March 31, 2019 ₹ in lakhs		For the year ended March 31, 2018 ₹ in lakhs
A. Cash flow from operating activities				
(loss) before tax		**(1,399.12)**		(1,110.99)
Adjustment for:				
Advances written off (net)	101.06		0.38	
Profit on sale of investments (net)	(10.19)		(14.51)	
Finance cost	2,567.67		3,298.33	
Interest receipt on investments and share in profit of firm	(593.08)		(589.07)	
Dividend on investments	(667.23)		(1,592.25)	
		1,398.23		1,102.88
Operating (loss) before Working Capital changes		**(0.89)**		(8.11)
Adjustments for Working Capital changes				
Decrease/(increase) in other non current assets	1,164.89		(470.46)	
Decrease/(increase) in current financial assets				
Loans	0.00		11,323.54	
Other financial assets	21.09		927.01	
Decrease/(increase) in other current assets	91.58		452.97	
Increase/(decrease) in current financial liabilities				
Trade payables	0.00		(0.29)	
Other financial liabilities	-		0.00	
Increase/(decrease) in other current liabilities	205.32		60.80	
		1,482.88		12,293.56
Cash generated from operations		**1,481.98**		12,285.45
(Tax paid) / refund received (net)		0.00		0.00
Net cash from operating activities		**1,481.98**		12,285.45
B. Cash flow from investing activities				
Interest receipt on investments and share in profit of firm	593.08		589.07	
Profit on sale of investments (net)	10.19		14.51	
Sale / (Purchase) of current investments (net)	(4.12)		2,950.63	
Dividend on investments	667.23		1,592.25	
Net cash generated / (used) in investing activities		**1,266.38**		5,146.46
C. Cash flow from financing activities				
repayment of short term borrowings	0.00		(36,646.25)	
Increase in short term borrowings	65.74		21,673.20	
Finance cost	(2,812.09)		(2,467.83)	
Net cash flow (used in) financing activities		**(2,746.35)**		**(17,440.88)**
Net changes in cash and cash equivalents		**2.01**		(8.96)
Net Increase / (-) Decrease in cash and cash equivalents				
Balance at the end of the year		8.87		6.86
Balance at the beginning of the year		6.86		15.82
Net changes in cash and cash equivalents		**2.01**		**(8.96)**

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

As per our report of even date
For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

For and on behalf of Board of Directors of
Dalmia Power Limited

Rajesh Kumar Ghai
Director
DIN No 00006849

Bharat Bhushan Mehta
Director
DIN No 00006890

New Delhi
Date: April 17, 2019

Dalmia Power Limited

Statement of change in equity for the year ended March 31, 2019

A. Equity share capital

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Opening Balance	**50.00**	50.00
Changes in equity share capital during the year	-	-
Balance at the year end	**50.00**	**50.00**

B. Other equity

	Reserve and surplus		Other comprehensive income	Total
	Capital reserve ₹ in lakhs	Retained earnings ₹ in lakhs	₹ in lakhs	₹ in lakhs
Balance as at April 01, 2017	**18,203.86**	**473.63**	**4,070.88**	**22,748.37**
Profit/ (Loss) for the year	-	(1,110.99)	-	(1,110.99)
Other Comprehensive Income/ (Loss) for the year	-	-	44,227.63	44,227.63
Balance as at March 31, 2018	**18,203.86**	**(637.36)**	**48,298.51**	**65,865.01**
Profit/ (Loss) for the year		(1,397.08)	-	(1,397.08)
Other Comprehensive Income/ (Loss) for the year	-		4,623.43	4,623.43
Balance as at March 31, 2019	**18,203.86**	**(2,034.44)**	**52,921.94**	**69,091.36**

Description of the purpose of each reserve within equity.

a) Retained earnings:- Retained earnings are the profits that the Company has earned till date. Retained Earnings is a free reserve available to the Company.

b) Capital reserve :- Capital reserve of Rs. 18,203.86 lakh was created due to amalgamation of DCB Power Ventures Limited with the Company as on January 01, 2015

The accompanying significant accounting policies and notes are an integral part of the financial statements

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: April 17, 2019

For and on behalf of Board of Directors of Dalmia Power Limited

Rajesh Kumar Gha
Director
DIN No. 00006849

Bharat Bhushan Mehta
Director
DIN No.00006890

Dalmia Power Limited
Notes to financial statements for the year ended March 31, 2019

Note 1
Significant Accounting Policies

A. Corporate Information

Dalmia Power Limited (DPL) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956.The Company is a wholly owned subsidiary of Dalmia Bharat Limited (DBL).

The financial statements for the year ended March 31, 2019 were authorised for issued in accordance with a resolution of the Board of Directors **on April 17 2019.**

In Previous year A Scheme of Arrangement and Amalgamation effective from appointed date 01st January, 2015 involving the Company and its related parties, namely, DCB Power Ventures Limited (DCBPVL), Dalmia Cement (Bharat) Limited (DCBL) and Adwetha Cement Holdings Limited, has been approved by the NCLT, Chennai Bench vide its order dated 16th October, 2017.

(a) Power plants of DCBPVL at Dalmiapuram, Ariyalur & Belgaum have been transferred to DCBL through Slump Sale w.e.f. January 01, 2015.
(b) 26% share capital of DCBPVL held by DCBL has been cancelled without any consideration.
(c) Residual DCBPVL, i.e. post slump sale has been amalgamated with the Company w.e.f appointed date.
(d) DCBPVL became a wholly owned subsidiary of the Company and consequently on amalgamation of a wholly owned subsidiary no consideration is required to be issued by the Company.
(e) The Company has recorded assets and liabilities of DCBVPL (post slump sale and reduction of share capital) at their fair values resulting in capital reserve of Rs. 18203.86 lakhs as on January 01, 2015.

The Company has accounted for amalgamation of DCBVPL in accordance with Purchase Method of accounting as per Accounting Standard - 14, Accounting for Amalgamation.

B. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended, the relevant provisions of the Companies Act, 2013 ("the Act').

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 and shares, and
- Certain financials assets and financials liabilities

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

C. 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

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- 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.

D. Fair value measurement

Fair value is the price that would be received on sale of 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.

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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.

E. 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 specific recognition criteria described below must also be met before revenue is recognized:

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, which is generally when shareholders approve the dividend.

F. 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 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 base 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

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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.

G. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

H. Capital work in progress

Capital work in progress is stated at cost, including borrowing costs incurred for financing the asset. All costs related to specific assets incurred during the period are carried under this heading. These are transferred to specific assets when they are available for use.

Expenditure during construction, pending allocation: Expenditure directly relating to construction period (net of income, if any) is capitalized. Indirect expenditure incurred is capitalized to the extent to which it is directly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period - which is not related to the construction activity nor is incidental thereto, is charged to Statement of Profit & Loss.

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I. Depreciation/amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful life estimated by the management through an independent valuation report or those prescribed under Schedule II to the Companies Act, 2013, whichever is lower.

J. 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.

K. 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. 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

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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.

L. 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.

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.

M. Provisions

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.

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N. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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.

O. 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.

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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

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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.

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.

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P. 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.

Q. Changes in accounting policy

a. **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

These amendments do not have any impact on the Company's financial statements as Company is doesn't have any revenue from customer.

b. Some other amendment is also there i.e.

- Ind AS 38 Intangible asset acquired free of charge
- Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations
- Amendments to Ind AS 40 Transfers of Investment Property
- Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
- Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

These amendments do not have any impact on the Company's financial statements.

R. Standards issued but not yet effective

Ind AS 116- Leases: On March 31, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. The new standard on leases ushers in a substantial change in the accounting for operating leases by lessees and few improvements in the disclosure related aspects for lessors accounting. The Company will adopt the standard on April 01, 2019. IND AS 116 will replaces the existing standard Ind AS 17, Leases, and interpretation/ guidance contained in its appendices. The effect on adoption of Ind AS 116 is expected to be insignificant.

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2.1 Property, plant and equipment (PPE)

(₹ in lakhs)

Particulars	Land
Tangible Assets	
As at April 01, 2017	11.13
Additions	-
Disposals	-
As at March 31, 2018	11.13
Additions	-
Disposals	-
As at March 31, 2019	**11.13**
Depreciation	
As at April 01, 2017	-
Charge for the year	-
Disposals	-
As at March 31, 2018	-
Charge for the year	-
Disposals	-
As at March 31, 2019	-
Net block	
As at March 31, 2019	**11.13**
As at March 31, 2018	**11.13**

2.2 Capital work in progress

(₹ in lakhs)

Particulars	As at April 01, 2017	Additions/ (Deletion)	As at March 31, 2018	Additions/ (Deletion)*	As at March 31, 2019
Pre operative expenditure pending allocation					
Advertisement & Publicity	6.46	-	6.46	(6.46)	-
Payments to Consultants	93.77	-	93.77	(93.77)	-
Meeting & Conference	0.83	-	0.83	(0.83)	-
Stores	32.41	-	32.41	-	32.41
	133.47	-	**133.47**	**(101.06)**	**32.41**

*Company has written of Rs. 101.06 lakh Capital work in progress during the year.

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		As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.3	**Non current investment**		
	Other Investments (valued at FVTPL)		
	8.30% NHAI tax free bonds: Nos of units 2472 (March 31, 2018 : 2472)	28.84	24.72
	Total	**28.84**	**24.72**
	Aggregate book value of quoted investments	28.84	24.72
	Aggregate market value of quoted investments	28.84	24.72

		As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.4	**Other non-current assets**		
	(Considered good and unsecured unless otherwise stated)		
	Capital advances	613.38	613.38
	Advance income tax (net of provision)	-	1,164.89
	Total	**613.38**	**1,778.27**

		As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.5	**Current investments**		
	At fair value through other comprehensive income		
	Investment in equity instruments (Quoted)		
	Indian Energy Exchange Limited 30,32,8630 (March 31, 2018: 30,32,863 Shares of Rs. 10/ each) shares of Rs. 1/- each fully paid up.	50,042.23	48,613.75
	Others (Unquoted)		
	Investment in limited liability partnership		
	Investment in TVS Shriram Growth Fund 1B LLP (Contribution: 67.95 %)	50,042.23	48,613.75
	Total	**1,00,084.46**	**97,227.50**
	Aggregate book value of quoted investments	50,042.23	48,613.75
	Aggregate market value of quoted investments	50,042.23	48,613.75
	Aggregate value of unquoted investments	50,042.23	48,613.75

		As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.6	**Cash and cash equivalents:**		
	Balances with banks		
	In current account	8.87	6.86
	Total	**8.87**	**6.86**

		As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.7	**Other financial assets**		
	(Unsecured, considered good)		
	Interest receivable	1.03	22.11
	Total	**1.03**	**22.11**

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	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.8 Other current assets		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	69.39	69.39
Deposit and balances with Government departments and other authorities	5.41	97.02
Prepayments	0.03	-
Total	**74.83**	**166.41**

2.9 Share capital:

	Number	As at March 31, 2019 ₹ in lakhs	Number	As at March 31, 2018 ₹ in lakhs
Authorized:				
Equity shares of Rs. 10 /- each	**30,00,000**	**300.00**	30,00,000	300.00
	30,00,000	**300.00**	30,00,000	300.00
Issued, subscribed and fully paid up:				
Equity shares of Rs. 10 /- each	**5,00,000**	**50.00**	5,00,000	50.00
	5,00,000	**50.00**	5,00,000	50.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	Number	As at March 31, 2019 ₹ in lakhs	Number	As at March 31, 2018 ₹ in lakhs
At the beginning of the year	**5,00,000**	**50.00**	5,00,000	50.00
Issued during the reporting year	-	-	-	-
Bought back during the reporting year	-	-	-	-
At the close of the year	**5,00,000**	**50.00**	5,00,000	50.00

(b) Shares held by the holding company:

	Number of shares	Number of shares
Dalmia Bharat Limited (Holding Company)	5,00,000	5,00,000

(c) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

	Number of share	% holding	Number of share	% holding
Dalmia Bharat Limited	5,00,000	100%	5,00,000	100%

(d) The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Boards of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company , the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) During the last five years,the Company has not issued any bonus shares nor any shares are bought back and issued for consideration other than cash.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.10 Other equity		
Capital reserve	18,203.86	18,203.86
Retained earnings	(2,034.44)	(637.36)
Other comprehensive income	52,921.94	48,298.51
	69,091.36	**65,865.01**

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	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.11 Deferred tax liabilities		
Fair valuation of investment	342.39	2,110.91
Total	**342.39**	**2,110.91**

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.12 Short term borrowings		
Unsecured		
From related parties (refer note no 2.30)*	28,111.19	28,045.45
Total	**28,111.19**	**28,045.45**

*Loans from related parties are repayable on demand and carrying interest @ 9.00% p.a.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.13 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 2.20)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.42	0.42
Total	**0.42**	**0.42**

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.14 Other financial liabilities		
Interest accrued but not due on borrowings	2,724.08	2,968.49
Total	**2,724.08**	**2,968.49**

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
2.15 Other current liabilities		
Others		
Statutory liabilities	256.82	329.87
Other liabilities	0.45	0.32
Provision for tax (net)	278.24	-
Total	**535.51**	**330.19**

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
2.16 Other Income:		
Profit on sale of current investments	10.19	14.51
Dividend income	667.23	1,592.25
Interest income		
Interest from bank and others	2.05	113.51
Share of profit from TVS Shriram Growth Fund 1B LLP	591.03	475.56
Amounts written back	-	0.76
Total	**1,270.50**	**2,196.59**

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
2.17 Finance cost		
Interest - term loan and others	2,567.67	3,298.33
	2,567.67	**3,298.33**

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	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
2.18 Other expenses:		
Filing fee	0.03	0.02
Auditors remuneration		
Audit fee	0.50	0.35
For expenses	0.06	0.09
Professional charges	0.28	6.91
Demat charges	0.02	-
Advances written off	-	1.14
Asset written off	101.06	-
Miscellaneous expenses	0.00	0.74
Total	**101.95**	**9.25**

2.19 Earnings per share:	UoM	For the year ended March 31, 2019	For the year ended March 31, 2018
(Loss) for the year	₹ in lakhs	**(1,397.08)**	**(1,110.98)**
Weighted average number of equity shares	No.	5,00,000	5,00,000
Earning per share (Basic & Diluted)	Rs.	**(279.42)**	**(222.20)**

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2.20 Disclosure as per Section 22 of 'The Micro, Small and Medium Enterprises Development Act 2006':

S. No.	Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	Principal Amount	-	-
	Interest thereon	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iii)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iv)	The amount of interest accrued and remaining unpaid	-	-
(v)	The amount of further interest due and payable even in the succeeding year, 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 MSMED Act, 2006	-	-
	Total	-	-

2.21 There are no present obligations requiring provision in accordance with the guiding principles as enunciated in IND AS -37, as it is not probable that an outflow of resources embodying economic benefits will be required.

2.22 In the opinion of the Board of Directors and to the best of their knowledge and belief, the valuation on realisation of financial assets and other assets in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

2.23 The Company does not have more than one reportable segment in accordance with the principles outlined in IndAS 108, Operating Segments, the disclosure requirements of the Standard are not applicable.

2.24 Since there are no employees in the Company, requirements of IndAS 19, Employee Benefits is not applicable.

2.25 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2019 : Nil (Previous Year: Nil).

2.26 Fair Value Measurement

The fair value of the financial assets and liabilities are 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:

(1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

(2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

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 which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

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The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.

(a) Disclosure for the year ended March 31, 2019

(1) Financial assets	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
Financial assets at amortised cost					
Investments	28.84	28.84	28.84	-	-
Cash and cash equivalents#	8.87	8.87	-	-	8.87
Other financial assets#	1.03	1.03	-	-	1.03
	38.74	**38.74**	**28.84**	-	**9.90**
Financial assets at fair value through other comprehensive income					
Investments	1,00,084.46	1,00,084.46	1,00,084.46	-	-
	1,00,084.46	**1,00,084.46**	**1,00,084.46**	-	-
Total	**1,00,123.20**	**1,00,123.20**	**1,00,113.30**	-	**9.90**

(2) Financial liability	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
Financial liabilities at amortised cost					
Borrowings#	28,111.19	28,111.19	-	-	28,111.19
Trade payables#	0.42	0.42	-	-	0.42
Other financial liabilities#	2,724.08	2,724.08	-	-	2,724.08
Total	**30,835.69**	**30,835.69**	-	-	**30,835.69**

(b) Disclosure for the year ended March 31, 2018

(1) Financial assets	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
Financial Assets at amortised cost					
Investments	24.72	24.72	24.72		
Cash and cash equivalents#	6.86	6.86	-	-	6.86
Other financial assets#	22.11	22.11	-	-	22.11
	53.69	**53.69**	**24.72**	-	**28.97**
Financial Assets at fair value through other comprehensive income					
Investments	97,227.50	97,227.50	97,227.50	-	-
	97,227.50	**97,227.50**	**97,227.50**	-	-
Total	**97,281.19**	**97,281.19**	**97,252.22**	-	**28.97**

(2) Financial liability	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
Financial liabilities at amortised cost					
Borrowings#	28,045.45	28,045.45	-	-	28,045.45
Trade payables#	0.42	0.42	-	-	0.42
Other financial liabilities#	2,968.49	2,968.49	-	-	2,968.49
Total	**31,014.36**	**31,014.36**	-	-	**31,014.36**

 # at amortised cost

(c) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	**Valuation Technique**	**Significant unobservable input**
Loans	DCF Method	Effective Interest Rate
Borrowings	DCF Method	Effective Interest Rate

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2.27 Financial risk management objective and policies:

The Company's principal financial liabilities comprise borrowings from group companies.The Company's principal financial assets include Investment, loans and advances and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. It is the Company's policy that no trading in derivatives for speculative purposes to be undertaken. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below.

(a) 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 other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

There are no long term debt obligation of the Company as on March 31, 2019.

(ii) 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 Company is not exposed to any foreign currency risk as there is no material transactions in foreign currency. Hence, no further disclosure is required under this section.

(iii) Commodity price risk

The Company does not significant operations which are affected by price volatility. Hence, no further disclosure is required under this section.

(b) 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 has exposure to credit risk due to advances to group companies and it evaluates the concentration of risk with respect to these advances as low because probability of default on repayment of advances is remote.

(c) Liquidity Risk

Liquidity risk is defined as the risk that Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2019				
Borrowings	28,111.19	-	-	28,111.19
Trade Payables	0.42	-	-	0.42
Other Financial Liabilities	2,724.08	-	-	2,724.08
	30,835.69	-	-	30,835.69
March 31, 2018				
Borrowings	28,045.45	-	-	28,045.45
Trade Payables	0.42	-	-	0.42
Other Financial Liabilities	2,968.49	-	-	2,968.49
	31,014.36	-	-	31,014.36

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2.28 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 share holders, including capital reserve and net debt includes interest bearing loans and borrowings except lease liability less investment in mutual funds, commercial papers 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.

	As at March 31, 2019	As at March 31, 2018
Borrowings	28,111.19	28,045.45
Less: Current investments	(1,00,084.46)	(97,227.50)
Less: Cash and cash equivalents	(8.87)	(6.86)
(a) Net Debt	**(71,982.14)**	**(69,188.91)**
(b) Equity	69,141.36	65,915.01
(c) Capital and Net Debt (a+b)	**(2,840.78)**	(3,273.90)
Gearing Ratio (a/c)	**2533.89%**	**2113.35%**

2.30 Related Party Disclosures, as required by Ind AS 24, Related Party Disclosure is as below:-

(A) Related parties and their relationship with the Company :

(i) Holding Company
Dalmia Bharat Limited (formerly known as Odisha Cement Limited)

(ii) Fellow Subsidiary Companies
Dalmia Cement (Bharat) Limited.

(iii) Subsidiary Companies of Fellow Subsidiary [Dalmia Cement (Bharat) Limited]

Ishita Properties Limited, D.I. Properties Limited, Hemshila Properties Limited, Geetee Estates Limited, Shri Rangam Properties Limited, Dalmia Minerals & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudana Mines and Properties Limited, Golden Hills Resort Private Limited, Rajputana Properties Private Limited., Calcom Cement India Limited, Jayevijay Agro Farms Private Limited, OCL Global Limited, Dalmia DSP Limited, Hopco Industries Limited, Alstom Industries Limited, Bangaru Kamakshiamman Agro Farms Private Limited, Chandrasekara Agro Farms Private Limited (w.e.f January 20, 2018), Arjuna Brokers and Minerals Limited (upto January 29, 2018). Shri Radha Krishna Brokers and Holdings Limited (up to January 29, 2018).

(iv) Step down Subsidiary Companies of Fellow Subsidiary [Dalmia Cement (Bharat) Limited]

Cosmos Cements Limited, Sutnga Mines Private Limited, Vinay Cements Limited, RCL Cements Limited and SCL Cements Limited, OCL China Limited

(v) Key Managerial personnel of Holding Company

Shri Jai Hari Dalmia- Executive Director (upto October 30, 2018), Shri Yadu Hari Dalmia- Executive Director (upto October 30, 2018), Shri Gautam Dalmia- Managing Director(w.e.f October 30, 2018), Shri Puneet Yadu Dalmia – Managing Director (w.e.f October 30, 2018).

Dalmia Power Limited

Notes to the finanical statement for the year ended March 31, 2019

(B) **Disclosure of transactions with Related Parties**

	Ref. to Note (A) above	2018-19	2017-18
			(Rs.)
Nature of transactions			
Interest income			
Dalmia Cement (Bharat) Limited	(ii)	-	96.87
Interest expense			
Dalmia Bharat Limited	(i)	2,472.95	459.08
Dalmia Cement (Bharat) Limited	(ii)	94.72	2,839.25
Refund of loan given			
Dalmia Cement (Bharat) Limited	(ii)	1,707.45	11,032.00
Refund of accrued Interest on borrowings			
Dalmia Cement (Bharat) Limited	(ii)	2,555.32	-
Borrowings taken			
Dalmia Bharat Limited	(i)	330.00	21,673.20
Dalmia Cement (Bharat) Limited	(ii)	1,443.19	-
Balance outstanding			
Interest receivable			
Dalmia Cement (Bharat) Limited	(ii)	-	21.08

		2018-19	2017-18
			(Rs.)
Accrued Interest on borrowings			
Dalmia Bharat Limited	(i)	2,638.83	413.17
Dalmia Cement (Bharat) Limited	(ii)	85.25	2,555.32
Borrowing outstanding at year end			
Dalmia Bharat Limited	(i)	27,818.70	27,488.70
Dalmia Cement (Bharat) Limited	(ii)	292.49	556.75
Repayment of borrowing and adjustment with balances arising under slump sale			
Dalmia Cement (Bharat) Limited			
Adjustment of consideration receivable (a)	(ii)	-	9,500.00
Adjustment of advance payable (b)		-	5,495.75
Repayment of borrowings (c)		-	42,142.00
Net adjustment (a-b+c)		-	46,146.25

2.31 Tax reconciliation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before tax	(1,397.08)	(1,110.99)
Applicable tax rate	26.00%	26.00%
Tax should be	(363.24)	(288.86)
Tax as per statement of profit and loss	(2.04)	0.00
Reconciliation :		
Tax on items		
which are exempt from tax	328.75	648.20
Disallowance of expenses	(667.60)	(857.57)
Others	(22.35)	(79.49)
	(363.24)	(288.86)

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2.32 In the opinion of the Management there is no reduction in the value of any assets, hence no provision is required in terms of IND AS-36 "Impairment of Assets".

2.33 The financial statements of the Company for the year ended March 31, 2018 were audited by another auditor Indira D Narayan & Co., Chartered Accountants, firm registration no. 05630N.

2.34 Subsequent events:

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of the financial statements as on April 17, 2019

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

New Delhi
Date: April 17, 2019

For and on behalf of Board of Directors of
Dalmia Power Limited

Rajesh Kumar Ghai
Director
DIN No. 00006849

Bharat Bhushan Mehta
Director
DIN No.00006890

S.R. Batliboi & Co. LLP
Chartered Accountants
4th Floor, Worldmark 2,
IGI Airport Hospitality District
Aerocity, New Delhi -110037

S.S. Kothari Mehta & Company
Chartered Accountants
Plot No. 68, Okhla Industrial Phase 3
New Delhi - 110020

INDEPENDENT AUDITOR'S REPORT

To the Members of Dalmia Cement (Bharat) Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Dalmia Cement (Bharat) Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

(a) We draw attention to Note 4A(b) to the accompanying standalone Ind AS financial statements for the year ended March 31, 2019 which describes that the Company had recognised goodwill arisen on giving impact of such Schemes from the appointed dates during the financial year ended March 31, 2018, which is being amortised over for a period of 4 to 10 years 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 amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by Rs. 420 crores. Our Opinion is not qualified in respect of this matter.

(b) We draw attention to note 53 to the financial statements, as noticed by the Company during the year, the Company's depository participant fraudulently transferred the Company's mutual funds aggregating to Rs. 344 crores (value as on December 31, 2018 and carried as current investments as on March 31, 2019 at same value) from the Company's demat account(s) to its own account, its directors and its associates for pledging the same with its clearing agent as collateral. The Company has filed complaints with the Securities and Exchange Board of India (SEBI) and the Economic Offences Wing, Delhi (EOW) against the depository participant and others for cheating and forgery and EOW directed the clearing agent not to sell, purchase, transfer, alienate, redeem / deal with the aforesaid mutual fund units. Further, SEBI vide its ad interim ex-parte order has directed the depository participant and other noticees, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI /National Stock Exchange(NSE). The Company has decided to appoint an independent firm of accountants to conduct investigation in the matter. The Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required to be made in the books of accounts. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matters
Impairment Assessment of Carrying Value of Goodwill *(as described in note 55(i) of the standalone Ind AS financial statements)*	
(a) The Company is carrying goodwill arisen on giving impact of scheme of arrangement and amalgamations relating to slump exchange of Undertakings of Odisha Cement Limited on going concern basis; and Amalgamation of Adwetha Cement Holdings Limited with the Company during the financial year ended March 31, 2018 (b) The Company is also carrying Goodwill arisen on Amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited. As per the scheme of Arrangement, excess of net assets taken over cost of investment in transferor companies aggregating to Rs. 21 crores has been recorded as Goodwill. As required under Ind AS 36 goodwill arising on such Schemes of Arrangement and Amalgamation is required to be tested for impairment on annual basis. The estimated recoverable amount of the goodwill is calculated as the higher of the value -in-use or fair value less costs to dispose, which involves significant estimates, assumptions and judgements on future growth rates, discount rates etc. Considering the significance of the matter and various judgement involved, we have identified this as a Key Audit Matter.	• For performing the impairment testing, the Company has used discounted cash flows method to determine the recoverable amount, these discounted cash flow calculations use five-year projection those are based on annual forecasts and present trends. We have evaluated that the assumptions used by the management to determine whether they are in line with the present trend and information available. • We have assessed the valuation methodology used by the valuer and its professional competence and expertise. • We understood the internal controls for the goodwill impairment process including the determination of assumptions used within the models to assess the recoverable amount of goodwill. • We have assessed the disclosures included in Note 55(i) to the standalone Ind AS financial statements.
Acquisition made by the Company in a company acquired through Insolvency and Bankruptcy Code, 2016 *(as described in note 55(ii) of the standalone Ind AS financial statements)*	
During the year, the Company has made investment of Rs. 150 crores in one company, which became wholly owned subsidiary of the Company upon acquisition. The Company has also advanced Rs. 39 crores as loan to the subsidiary company. The subsidiary company was acquired under Insolvency and Bankruptcy Code, 2016 (IBC) under	• We have evaluated the business plan of the subsidiary company including various assumptions used by it, indicating future profitability and its synergy in the business of the Company considering the business and market in which the Company operates. • We have evaluated that the investment was acquired from a non-related party under a

Key audit matters	How our audit addressed the key audit matters
a competitive bidding process, which was accepted by the National Company Law Tribunal. The net worth of the subsidiary company as on the balance sheet date is Rs. 12 crores after inclusion of the Equity Share Capital, however, the management is confident of the profitability based on the projections prepared by it. Considering the amount involved and various judgements and projections based on which business plan has been prepared, this matter has been considered significant for audit and identified as key audit matter.	competitive bid process which was duly approved by the National Company Law Tribunal. • We have evaluated the disclosures included in Note 55(ii) to the standalone Ind AS financial statements.
Accumulation of MAT Credit Entitlement aggregating to Rs.243 Crores, *(as described in note 16 to the standalone Ind AS financial statements)*	
The Company is carrying MAT credit entitlement aggregating to Rs. 243 crores as at March 31, 2019. MAT credit entitlement has a limited period for utilization i.e. 15 years from the date such amount is available. The Company's ability to recognize these MAT credit assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the present Income Tax Laws and Regulations in force. The assumptions on these projections are determined by the management. Given the degree of judgment involved in making a forecast of the profitability of the Company and the materiality of the amounts involved, we have determined this to be a key audit matter.	• We have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit. • We have assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. • We have assessed the likelihood of the Company to utilize the available MAT credit entitlement in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable profits. • We have evaluated the ageing of the carry forward MAT credit entitlement of the Company. • We have evaluated the disclosures included in Note 16 to the standalone Ind AS financial statements.
Investment and loans and advances to a subsidiary company (Calcom Cement India Limited or Calcom), where a litigation is going on with one of the minority shareholder in that subsidiary company, *(as described in note 45 of the standalone Ind AS financial statements)*	
The Company is having a litigation with one of the minority shareholder (the party) of Calcom, where the party has levelled charges against the Company for Oppression and Mismanagement of Calcom. The Company has invested significant amount in equity shares of the subsidiary company including investment in another company for the acquisition of the equity shares in Calcom in the form of zero coupon optionally redeemable convertible debentures aggregating to Rs. 319 crores. The Company has also advanced unsecured loans of Rs 319 crores, (including Rs.102 crores loans to a step-down subsidiary company) and accrued interest thereon of Rs. 88 crores and secured loans aggregating to Rs 442 crores (including Rs. 4 crores to step down subsidiary companies) to Calcom. Calcom has accumulated losses as at Balance sheet date on consolidated level aggregating to Rs. 296 crores. However, profitability of subsidiary	• The Company believes that based on the legal advice and de facto control over the subsidiary, it would be able to protect its interest in the subsidiary company which will not be impacting adversely the carrying value of investment as well as loans, including interest thereon (including loan given to step down subsidiaries by Calcom. • We have been provided with a consolidated business plan of the subsidiary company, based on which, the management has informed us that it is confident of achieving the same. • We have read the business plan and cash flow projections of the Company, which indicates the carrying value of investment is higher than the overall exposure of the Company in the subsidiary company. • The Company has been legally advised that it has a strong case and no further liability is expected

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Key audit matters	How our audit addressed the key audit matters
company has improved significantly in last two financial years Considering the above facts and amount involved in the above matter, this has been considered a significant matter for audit and considered as key audit matter	on the Company, except to the extent provided in the books. The matter is under Arbitration with Arbitral Tribunal. • We have evaluated the disclosures included in Note 45 to the standalone Ind AS financial statements.
Trade receivables, subsidies receivable from government agencies and advances to vendors *(as described in note 55(iii) to the Standalone Ind AS Financial Statements)*	
The Company has trade receivables, subsidies receivable from government agencies and advances to vendors. The Company has taken necessary steps including legal action, wherever applicable, for the recovery of these balances. Based on past experience of realisation and steps taken by the Company, it is confident of recovery of these balances in due course. Considering the amount involved of such receivables, this matter has been considered significant for audit.	• We have evaluated the various correspondences made with the parties and other follow up actions taken by the Company, including but not limited to legal process, meetings, notices etc. • We have read and evaluated the legal advice / opinions obtained by the Company in respect of recoverability of amounts, wherever applicable. • We have evaluated the underlying documents against which these amounts are paid / accrued as per eligibility criteria. • We have obtained the representation from the management. • In respect of subsidies receivables, we have evaluated that the period of realisation considered by the Company is in line with the past trends.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report under "the management report and chairman's statement", but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with 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 controls, 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

In respect of comparative Ind AS financial statement and financial information, we did not audit the certain components of financial statements and other financial information of the Undertaking transferred to the Company pursuant to scheme of arrangement and amalgamations with the appointed date January 1, 2015. included in the accompanying standalone Ind AS financial statements of the Company whose Ind AS standalone financial statements and other financial information reflect total assets of Rs. 3186 crores as at March 31, 2018, revenue of Rs. 1052 crores and profit before tax of Rs. 183 crores for the year ended on that date. The standalone Ind AS 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 Undertakings is based solely on the report of such component auditors. Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss 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;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 these 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, 2019 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; and read with clause (xi) of our report on the Order issued under section 143 (11) of 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 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; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**
Partner
Membership No.: 087921
New Delhi
May 9, 2019

S.R. BATLIBOI & CO LLP NEW DELHI

For **S.S. Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Registration No. 000756N

per **Sunil Wahal**
Partner
Membership No. 087294
New Delhi
May 9, 2019

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

S.R. Batliboi & Co. LLP
Chartered Accountants
4th Floor, Worldmark 2,
IGI Airport Hospitality District
Aerocity, New Delhi -110037

S.S. Kothari Mehta & Company
Chartered Accountants
Plot No. 68, Okhla Industrial Phase 3
New Delhi - 110020

Annexure I referred to in paragraph A under "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Dalmia Cement (Bharat) Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All item of property plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for immovable properties of freehold land aggregating to Rs. 13 crores which are not registered in the name of the Company and the title deeds of certain portion of immovable properties transferred on amalgamation of erstwhile Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited; and power undertakings of DCB Power Ventures Limited and Undertakings of Odisha Cement Limited (transfer through slump sale) are in the process of being transferred in the name of the Company (Refer note 2A(iv) to the standalone Ind AS financial statements).

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to information and explanations given to us:

(a) The Company has granted loans (including brought forward balances of loan as on April 01, 2018) to one party 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 loans are 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.

(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) According to information and explanations given to us the Company has not accepted any deposits from the public during the year.

(vi) According to information and explanations given to us we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacture of cement, clinker and power and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

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(vii) According to information and explanations given to us:

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess, goods and service tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and goods and service tax on account of any dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount Rs. in crores**	**Period to which the amount relates**	**Forum where dispute is pending**
Customs Act, 1962	Erroneous refund of deposit	0.22	April 2007 to March 2008	Custom Excise and Service Tax Appellate Tribunal, Chennai
Customs Act, 1962	Denial of concessional rate of custom duty	0.87	2015-2016	Commissioner Appeals Customs, Calcutta
Andhra Pradesh Value Added Tax Act, 2005	Denial of VAT credit and Penalty thereon	0.20	June 2008 to August 2010	Andhra Pradesh Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Denial of VAT credit	0.09	May 2007 to May 2008	Commercial Tax Officer, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Demand of Entry tax	2.63	June 2014 to March 2017	Asst. Commissioner of Commercial taxes (LTU), Kadappa
Bihar Sales Tax Act, 2005	Sales Tax Demand	0.25	2013-14	Joint Commissioner of Commercial Tax (Appeal) Patna
Bihar Sales Tax Act, 2005	Sales Tax Demand	0.61	April 2013 to March 2016	Joint Commissioner, Patna
Central Excise Act, 1944	Denial of Cenvat credit on cement and steel used in the construction of factory, civil structure, foundation etc. and Differential amount of excise duty disallowing concessional rate of duty on non –trade bulk sale	23.45	October 2001 to April 2002 September 2004 to February 2006 May 2007 to November 2007	Supreme Court, Delhi
Central Excise Act, 1944	Denial of refund of excise duty on packing charges on the ground of unjust enrichment	0.08	May 1980 to July 1989	High Court, Chennai
Central Excise Act, 1944	Denial of Cenvat credit of service tax paid on GTA services	4.97	April 2009 to August 2013	High Court, Hyderabad

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Name of the statute	Nature of dues	Amount Rs. in crores	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Denial of Cenvat credit of service tax paid on GTA services	7.58	July 2013 to June 2017	Custom Excise & Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Denial of Input & Service Tax Credit	11.52	October 2009 to March 2010 April 2015 to March 2016	Custom Excise & Service Tax Appellate Tribunal, Hyderabad
Central Excise Act, 1944	Cenvat Credit Utilisation and Excise duty on VAT Remission	0.46	August 2008 to January 2010 August 2010 to August 2013	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Denial of Cenvat credit of service tax paid on GTA services	4.17	September 2009 to March 2013 October 2013 to March 2015	Custom Excise & Service Tax Appellate Tribunal, Delhi
Central Excise Act, 1944	Excise interest Recovery	0.22	April 2015 to March 2017	Assistant Commissioner, GST, Shillong
Central Excise Act, 1944	Excise Duty and Service Tax Demand	22.18	2008-09 to 2016-17 and 2018-2019	Commissioner Appeals, Raurkela
Central Excise Act, 1944	Irregular availment of Service Tax Credit and Evasion of Service tax in course of construction of the Railway Siding	0.50	July 2012 to December 2014	Commissioner Excise, Ranchi
Central Excise Act, 1944	Denial of Cenvat credit on cement and steel used in the construction of factory, civil structure, foundation etc.	30.15	December 2008 to February 2010	Assistant Commissioner, Thanjavur
Central Excise Act, 1944	Denial of Cenvat credit of service tax paid on GTA services	1.78	September 2013 to March 2015	Commissioner, Tirupati
Central Excise Act, 1944	Availment of Cenvat Credit	0.45	August 2008 to January 2013	Commissioner (A), Guwahati
Central Excise Act, 1944	Denial of CENVAT Credit on parts of silo feeding arrangement and Service Tax Credit	0.26	2013-2014 and 2018-19	Commissioner Appeals
Central Excise Act, 1944	Denial of CENVAT Credit on parts of silo feeding arrangement.	1.07	2018-19	JC-CGST & CE
Central Excise Act, 1944	Service Tax Demand	0.19	2011-12	The Commissioner of Excise & Service Tax, Bhubaneswar
Central Sales Tax Act, 1956	Demand raised towards non-submission of Declaration Forms and OET	1.36	October 2015 to March 2016 April 2017 to June 2017	Addl. CCT (Appeal), Rourkela

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Name of the statute	Nature of dues	Amount Rs. in crores	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non-submission of C Forms	57.56	April 2008 to March 2009 April 2013 to March 2015	Commercial Tax Officer, Lalgudi
Central Sales Tax Act, 1956	Non-submission of declaration forms	0.39	April 2006 to March 2008 April 2009 to March 2011	Deputy Commissioner (Appeal), Trichy
The West Bengal tax on goods into local Areas Act, 2012	Entry Tax	1.69	August 2013 to March 2017	Kolkata High Court Division Bench
The West Bengal tax on goods into local Areas Act, 2012	Entry Tax	4.22	April 2013 to March 2015	Sr. Joint Commissioner, Commercial Taxes, West Bengal
The West Bengal tax on goods into local Areas Act, 2012	Entry Tax	2.27	April 2015 to March 2016	Assistant Commissioner (Appeal), Commercial Taxes, West Bengal
Kerala Value Added Tax Act, 2003	Demand for incorrect turnover reported (Stock Transfer) as per return, omissions and refill shortages	1.20	April 2008 to March 2010 April 2013 to August 2013	Assistant Commissioner, Commercial Tax, Ernakulum
Kerala Value Added Tax Act, 2003	Increase in turnover and disallowance of Input Tax Credit	0.70	April 2011 to March 2012	Deputy Commissioner (Appeal)-1, Commercial Tax
Orissa Sales Tax Act	Entry Tax and Sales Tax Demand	2.32	2005-06, 2010-11 to 2012-13	Commissioner of Sales Tax, Odisha
Orissa Sales Tax Act	Entry Tax and Sales Tax Demand	2.02	1995-1996(OST), 2010-2011 2012-13 to June 2017	Odisha High Court
Orissa Sales Tax Act	Entry Tax and Sales Tax Demand	2.95	2005-06(OVAT) 2006-2007(ET)	Orissa Sales Tax Tribunal
Orissa Sales Tax Act	Entry Tax Demand	0.45	2010-11, 2013-14 to September 2016	Deputy Commissioner of Commercial Tax
Orissa Sales Tax Act	Entry Tax Demand	0.09	2005-06 and 2013-14 to September 2015	Joint Commissioner of Commercial Tax
Orissa Sales Tax Act	Sales Tax Demand	0.93	2013-14 to September 2015	Additional commissioner of commercial tax(Appeal), Rourkela
Orissa Sales Tax Act	Demand against wrong computation and payment of OVAT.	0.25	2015-16 (Oct'15-Mar'16) and 2016-17 & 2017-18 (Apr'17-Jun'17)	Additional commissioner of commercial tax(appeal), Rourkela
Tamil Nadu General Sales Tax Act, 1959	Demand for sales tax on packing charges	0.29	April 1975 to March 1977	Supreme Court, Delhi

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Name of the statute	Nature of dues	Amount Rs. in crores	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Denial of concessional rate benefit on certain items purchased through Form XVII	0.03	April 1989 to March 1993	Sales Tax Appellate Tribunal, Madurai
Tamil Nadu General Sales Tax Act, 1959	Demand for sales tax on packing charges Denial of concessional rate benefit on certain items purchased through Form XVII	0.20	April 1977 to March 1978 April 1997 to March 2000	Commercial Tax Officer, Lalgudi
Tamil Nadu Value Added Tax Act, 2006	ITC reversal on mismatches in TIN	0.24	April 2010 to March 2011	Commercial Tax Officer, Lalgudi
Tamil Nadu Value Added Tax Act, 2006	ITC reversal on sale of Amma Cement Scheme & Sale made to RC cancelled dealers	0.06	April 2014 to March 2015	Deputy Commissioner (Appeal), Trichy
The Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001	Entry tax on bags purchased from other states	0.09	April 2005 to March 2006	Supreme Court, Delhi
West Bengal Sales Tax Act	Sales Tax Demand	0.04	2014-15	Appellate & Revisionary Board, West Bengal
West Bengal Sales Tax Act	Entry Tax Demand	8.51	2015-16	High Court, Kolkata
West Bengal Value Added Tax Act, 2003	Contravention of West Bengal VAT	0.32	April 2013 to March 2014	West Bengal, Tribunal
Income Tax Act, 1961	Demand of differential tax due to deduction of tax at lower rate	0.05	AY 2011-2012	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Demand of interest u/s 220 shown on Income Tax portal	0.28	AY 2011-2012, 2012-2013	Assistant Commissioner of Income Tax, Trichy

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks, financial institution or debenture holders or government and repayment in the nature of loan from Government are in the nature of sales tax loan/ dues to SIPCOT (State Industries Promotion Corporation of Tamil Nadu Limited).

(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 / debt instruments and monies raised by way of term loans have been utilised for the purpose for which term loans were raised.

(x) Read with paragraph (b) of our Auditors' Report and note 53 to the financial statements, the Company's depository participant has fraudulently transferred certain mutual fund units valued at Rs 344 crores as on December 31, 2018 from the demat account(s) of the Company to its own account, its directors and its associates for pledging the Securities with its clearing agents as collateral. Such fraudulent transfers by the depository participant may potentially result in a loss to the Company. The Company has filed complaint with the various authorities, including Securities Exchange of India and Economic Offences Wing, Delhi for recovery of the mutual fund units. However, the Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required in the books.

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(xi) According to the information and explanations given to us, the Company has paid remuneration 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 to us, 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.

(xv) According to the information and explanations given by the management to us, 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.

S. R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No. 087921
Place of signature: New Delhi
Date: May 9, 2019

S.R. BATLIBOI & CO. LLP NEW DELHI

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

per Sunil Wahal
Partner
Membership No.087294
Place of signature: New Delhi
Date: May 9, 2019

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

S.R. Batliboi & Co. LLP
Chartered Accountants
4th Floor, Worldmark 2,
IGI Airport Hospitality District
Aerocity, New Delhi -110037

S.S. Kothari Mehta & Company.
Chartered Accountants
Plot No. 68, Okhla Industrial Phase 3
New Delhi - 110020

Annexure 2 to the independent auditor's report of even date on the standalone Ind AS financial statements of Dalmia Cement (Bharat) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dalmia Cement (Bharat) Limited ("the Company") as of March 31, 2019, 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 Companies Act, 2013.

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 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 as specified under section 143(10) of the Companies Act, 2013, 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.
An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS 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 Ind AS 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 qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone 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 standalone 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 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements during the current financial year:

Read with paragraph (b) our Auditors' Report and note 53 to the standalone Ind AS financial statements, we report that the Company's internal control system for existence and verification of investments in Mutual Fund Units maintained in Demat Accounts were not operating effectively during the current financial year to detect the lapses on timely basis, which could potentially result in material misstatement of carrying value of such investments.

Based on our verification subsequently and as represented by the Management, necessary remedial measures have since been taken to strengthen the controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone financial statements as of March 31, 2019, 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as of March 31, 2019.

Explanatory paragraph

We also have audited, 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, the standalone Ind AS financial statements of Dalmia Cement (Bharat) Limited, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone Ind AS financial statements of Dalmia Cement (Bharat) Limited and this report does not affect our report dated May 9, 2019, which expressed an unqualified opinion on those standalone Ind AS financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Anil Gupta

per **Anil Gupta**
Partner
Membership No.: 087921
New Delhi, May 9, 2019

S.R. BATLIBOI & CO. LLP * NEW DELHI *

For **S.S. Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Registration No. 000756N

Sunil Wahal

per **Sunil Wahal**
Partner
Membership No. 087294
New Delhi, May 9, 2019

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Dalmia Cement (Bharat) Limited
Balance Sheet as at March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

	Notes	As at March 31, 2019	As at March 31, 2018
			Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	2A	7,662	7,987
Capital work-in-progress	2B	478	150
Investment properties	3	0	0
Goodwill	4A	1,389	1,809
Other intangible assets	4B	2,866	3,009
Intangible assets under development		14	5
Biological assets other than bearer plants	5	0	0
Financial assets			
(i) Investments	6(i)	656	389
(ii) Loans	6(ii)	409	7
(iii) Other financial assets	6(iii)	328	438
Other non-current assets	7	339	87
		14,141	**13,881**
Current assets			
Inventories	8	892	696
Financial assets			
(i) Investments	9(i)	984	2,150
(ii) Trade receivables	9(ii)	483	450
(iii) Cash and cash equivalents	9(iii)	212	280
(iv) Bank balances other than (iii) above	9(iv)	180	18
(v) Loans	9(v)	476	628
(vi) Other financial assets	9(vi)	488	678
Income tax assets		-	13
Other current assets	10	320	389
Assets held for sale	11	1	0
		4,036	**5,302**
Total assets		**18,177**	**19,183**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	314	234
Share capital suspense	12B	-	6,200
Other equity	13	8,851	2,697
Total equity		**9,165**	**9,131**
Liabilities			
Non- current liabilities			
Financial liabilities:			
(i) Borrowings	14(i)	3,841	4,855
(ii) Other financial liabilities	14(ii)	1	4
Provisions	15	93	49
Deferred tax liabilities (net)	16	1,354	1,344
Government grants	17	54	43
		5,343	**6,295**
Current liabilities			
Financial liabilities:			
(i) Borrowings	18(i)	890	1,033
(ii) Trade payables	18(ii)		
- total outstanding dues of micro enterprises and small enterprises		6	5
- total outstanding dues of creditors other than micro enterprises and small enterprises		743	759
(iii) Other financial liabilities	18(iii)	1,504	1,476
Government grants	17	6	18
Other current liabilities	19	457	431
Current tax liabilities (net)		26	-
Provisions	20	37	35
		3,669	**3,757**
Total liabilities		**9,012**	**10,052**
Total equity and liabilities		**18,177**	**19,183**
Significant accounting policies	1B		

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

As per our report of even date

For S.R. Batliboi & Co. LLP	**For S.S. Kothari Mehta & Company**	**For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited**	
Chartered Accountants	Chartered Accountants		
Firm Registration No. 301003E/ E300005	Firm Registration No. 000756N		
per Anil Gupta	**per Sunil Wahal**	**(Mahendra Singhi)**	**(Gautam Dalmia)**
Partner	Partner	Managing Director & CEO	Director
Membership No.: 87921	Membership No.: 087294	DIN : 00243835	DIN : 00009758
Place: New Delhi	Place : New Delhi		
Date: May 9, 2019	Date : May 9, 2019		
		(Jayesh Doshi)	**(Manisha Bansal)**
		Chief Financial Officer	Company Secretary
			Membership No. A23818

Dalmia Cement (Bharat) Limited
Statement of Profit and Loss for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
		Rs.	Rs.
Income			
Revenue from operations	21	8,312	7,881
Other income	22	287	296
Total Income (I)		**8,599**	**8,177**
Expenses			
Cost of raw materials consumed	23	1,580	1,169
Purchase of stock in trade		117	180
Change in inventories of finished goods, work-in-progress and stock in trade	24	(147)	5
Employee benefit expenses	25	525	509
Finance costs:			
- Interest cost	26(a)	456	562
- Other finance cost (including foreign currency fluctuation)	26(b)	38	88
Foreign currency fluctuation on borrowings etc. (net)		-	14
Depreciation and amortisation expense	2A(vi)	1,226	1,148
Power and fuel	49	1,570	1,240
Freight charges:			
- on finished goods		1,470	1,260
- on internal clinker transfer		167	148
Excise duty on sale of goods (net of excise duty remission Rs. Nil (March 31, 2018: Rs. 12))		-	236
Other expenses	27	1,498	1,299
Total expenses		**8,500**	**7,858**
Profit before tax		**99**	**319**
Tax expense			
Current tax		56	85
Deferred tax charge/ (credit)		(48)	29
Current tax adjustments for earlier years		2	(26)
Deferred tax charge for earlier years		8	1
Total tax expense		**18**	**89**
Profit after tax		**81**	**230**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gains/ (loss) on defined benefit plan		(15)	2
- Income tax (expense)/ credit relating to above item		5	(1)
Other comprehensive income for the year, net of tax		**(10)**	**1**
Total comprehensive income for the year		**71**	**231**
Earnings per Share	28		
Basic and Diluted Earnings Per Share (In Rupees) [Nominal Value of Share Rs.10 (Rs.10) each]		2.54	7.33
Significant accounting policies	1B		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No.: 87921

Place : New Delhi
Date : May 9, 2019

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

per Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 9, 2019

For and on behalf of the Board of Direc
Dalmia Cement (Bharat) Limited

(Mahendra Singhi)
Managing Director & CEO
DIN : 00243835

(Gautam Dalmia)
Director
DIN : 00009758

(Jayesh Doshi)
Chief Financial Officer

(Manisha Bansal)
Company Secretary
Membership No. A23818

S.R. BATLIBOI & CO. LLP * NEW DELHI *

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Dalmia Cement (Bharat) Limited
Statement of changes in equity for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

a. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid *	No. of Shares	Rs.
As at April 1, 2017	23,42,51,187	234
Issue of share capital	-	-
As at March 31, 2018	23,42,51,187	234
Issue of share capital	7,97,94,080	80
As at March 31, 2019	31,40,45,267	314

* A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding Company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been sanctioned by the NCLT, Chennai Bench on May 1, 2018 and has become effective on October 30, 2018 with effect from the Appointed Date, i.e., January 1, 2015.

During the year, the Company has allotted 79,794,080 equity shares of Rs.10/- each fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to aforesaid Scheme.

b. Share capital suspense:

Share capital suspense (refer note 12B)	**Rs.**
As at April 1, 2017	**6,200**
Change during the year	-
As at March 31, 2018	**6,200**
Change during the year	(6,200)
As at March 31, 2019	-

c. Other equity:

Rs.

Particulars	Reserve and Surplus				Total Other equity
	Securities premium	Debenture redemption reserve	Share based payment reserve	Retained earnings	
As at April 1, 2017	**443**	**378**	**8**	**1,652**	**2,481**
Profit for the year	-	-	-	230	230
Other comprehensive income (net of tax):					
Re-measurement gains on defined benefit plan	-	-	-	1	1
Total comprehensive income for the year	-	-	-	**231**	**231**
Transfer to debenture redemption reserve	-	38	-	(38)	-
Debenture redemption reserve released during the year	-	(131)	-	131	-
Dividend paid (refer note 13)	-	-	-	(20)	(20)
Employee stock option expense (refer note 31)	-	-	5	-	5
As at March 31, 2018	**443**	**285**	**13**	**1,956**	**2,697**
As at April 1, 2018	**443**	**285**	**13**	**1,956**	**2,697**
Profit for the year	-	-	-	81	81
Other comprehensive income (net of tax):					
Re-measurement (losses) on defined benefit plan	-	-	-	(10)	(10)
Total comprehensive income for the year	-	-	-	**71**	**71**
Allotment of shares pursuant to Scheme of Arrangement and Amalgamation	6,120	-	-	-	6,120
Transfer to debenture redemption reserve	-	27	-	(27)	-
Debenture redemption reserve released during the year	-	(62)	-	62	-
Dividend paid (including dividend distribution tax) (refer note 13)	-	-	-	(40)	(40)
Employee stock option expense (refer note 31)	-	-	3	-	3
As at March 31, 2019	**6,563**	**250**	**16**	**2,022**	**8,851**

For description of the purposes of each reserve within equity, refer note 13 of standalone financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No.: 087921
Place : New Delhi
Date : May 9, 2019

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

per Sunil Wahal
Partner
Membership No. 087294
Place : New Delhi
Date : May 9, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

(Mahendra Singhi)
Managing Director & CEO
DIN : 00243835

(Gautam Dalmia)
Director
DIN : 00009758

(Jayesh Doshi)
Chief Financial Officer

(Manisha Bansal)
Company Secretary
Membership No. A23818

Dalmia Cement (Bharat) Limited
Cash Flow Statement for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

(Rs.)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities			
Profit before tax		99	319
Adjustments:			
Depreciation and amortisation	2A(vi)	1,226	1,148
Impairment allowance (net)	27	3	3
Bad debts/ advances written off	27	1	2
Exchange difference (net)		29	104
Interest expense (including other borrowing costs)	26	465	576
Government grant	21	(12)	-
Interest (income)	22	(213)	(175)
Dividend (income)	22	(2)	(4)
Share-based payment expense	25	3	5
(Profit) on redemption of investment in preference shares of a subsidiary company	22	-	(0)
Fair valuation gain/ (reversal) of fair valuation gain on current investments	22	108	(17)
(Profit) on sale of current investments	22	(166)	(98)
(Profit)/ loss on sale of property, plant and equipment (net)		(1)	4
Operating profit before working capital changes		**1,540**	**1,867**
Working capital adjustments:			
(Increase) in inventories		(197)	(120)
(Increase) in trade receivables		(37)	(5)
(Increase)/ decrease in financial and other assets		430	(407)
(Decrease)/ increase in trade and other payables		(41)	206
Increase/ (decrease) in provisions and government grants		31	(38)
Cash generated from operations		**1,727**	**1,503**
Income tax refund/ (paid) (net)		37	(21)
Net cash flow from operating activities		**1,764**	**1,482**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(814)	(356)
Proceeds from sale of property, plant and equipment		5	5
Proceeds from erstwhile shareholder of the Company		-	290
(Purchase) of investment in subsidiaries		(267)	(0)
Sale of investment in associate		0	-
Redemption of investment in preference shares of a subsidiary company		-	18
(Purchase) of / proceeds from sale of current investments (net)		1,224	(38)
Refund towards purchase of investments		-	15
(Investment) in bank deposits (having original maturity of more than three months)		(170)	(10)
Loan and deposit given for acquisition of a body corporate		(49)	(43)
Refund of amount from a body corporate		92	-
Loans given to subsidiaries		(669)	(164)
Loans repaid by subsidiaries		374	544
Loans repaid - others (net of loan given)		3	25
Purchase consideration paid		-	(10)
Dividend received		2	4
Interest received		148	52
Net cash flow from/ (used in) investing activities		**(121)**	**332**
C. Cash flow from financing activities			
Proceeds from long term borrowings		256	913
(Repayment) of long term borrowings		(1,215)	(1,385)
Availment of short term foreign currency loan		369	487
(Repayment) of short term foreign currency loan		(547)	(463)
(Repayment of)/ proceeds from other short term borrowings (net)		12	(537)
Interest paid		(546)	(637)
Dividend paid (including dividend distribution tax)	13	(40)	(20)
Net cash flow (used in) financing activities		**(1,711)**	**(1,642)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**(68)**	**172**
Cash and cash equivalents at the beginning of the year		280	108
Cash and cash equivalents at the end of the year	9(iii)	**212**	**280**

Notes:
(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'.

S.R. BATLIBOI & CO. LLP * NEW DELHI

S.S. KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(b) Outstanding loan given to a subsidiary amounting to Rs.14 was converted into investment in equity shares during the previous year (refer note 6(i)(A)).

(c) Changes in liabilities arising from financing activities:

Particulars	As at April 1, 2018	Cash flows	Fair value changes	Foreign exchange movement	As at March 31, 2019
Non current borrowings	5,716	(959)	(6)	9	4,760
Current borrowings (refer note 18(i))	1,033	(166)	-	23	890

Particulars	As at April 1, 2017	Cash flows	Fair value changes	Foreign exchange movement	As at March 31, 2018
Non current borrowings	6,102	(472)	(10)	96	5,716
Current borrowings (refer note 18(i))	1,530	(514)	-	17	1,033

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/
E300005

per Anil Gupta
Partner
Membership No.: 087921

Place : New Delhi
Date : May 9, 2019

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

per Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 9, 2019

For and on behalf of Board of Directors of Dalmia Cement (Bharat) Limited

(Mahendra Singhi)
Managing Director & CEO
DIN : 00243835

(Gautam Dalmia)
Director
DIN : 00009758

(Jayesh Doshi)
Chief Financial Officer

(Manisha Bansal)
Company Secretary
Membership No. A23818

S.R. BATLIBOI & CO. LLP * NEW DELHI

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Note 1

A. Corporate Information

Dalmia Cement (Bharat) Limited ('DCBL' or 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India (erstwhile Companies Act, 1956). Its debt securities are listed on one stock exchange in India. The registered office of the Company is located at Dalmiapuram, Distt Tiruchirappalli, Tamil Nadu- 621651.

The Company is engaged in the business of manufacturing and selling of cement and its related products and refractory products.

Pursuant to various Schemes of Arrangement and Amalgamation becoming effective with effect from Appointed Date(s) January 1, 2015 and March 15, 2016 respectively after being sanctioned by Hon'ble National Company Law Tribunal(s), the Company in the previous year had accounted for:

(i) Transfer and vesting of Power Undertakings from DCB Power Ventures Limited with the Company by way of slump sale on going concern basis and amalgamation of Adwetha Cement Holdings Limited ('ACHL') into the Company on scheme becoming effective on November 17, 2017 after being approved by NCLT;

(ii) Amalgamation of Adhunik Cement Limited ('ACL') and Adhunik MSP Cement (Assam) Limited ('ACAL') with the Company on scheme becoming effective on May 16, 2018 after being approved by NCLT; and

(iii) Slump exchange of Undertakings of Odisha Cement Limited ('ODCL') to the Company on a going concern basis on scheme becoming effective on October 30, 2018 after being approved by NCLT.

The financial statements for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 09, 2019.

B. Significant Accounting Policies

(i) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

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:

- Derivative financial instruments [refer accounting policy 1B(ii)(v)];
- Investment in bonds and mutual funds measured at fair value [refer accounting policy 1B(ii)(u) regarding financial instruments];
- Investment in equity shares, other than investment in joint venture and subsidiaries; and
- Share based payments [refer accounting policy 1B(ii)(s)]

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.

(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 to Ind AS financial statements on the transition date. Business combination post April 1, 2015 has been accounted for as per the provisions of the Scheme of Arrangement and Amalgamation approved by Hon'ble National Company Law Tribunal (NCLT) including the accounting for amortising the value of resulting goodwill.

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b. 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.

An 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 joint ventures and subsidiaries

Investments representing equity interest in joint ventures and subsidiaries are carried at cost in accordance with Ind AS 27.

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.

A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109.

On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

d. 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 and loss. Exchange differences on foreign currency borrowings, settlement gain/ loss and fair value

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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 and loss are also recognised in statement of profit and loss).

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Company had continued the policy of capitalisation of exchange differences arising from translation of long-term foreign currency monetary items in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a depreciable asset are capitalised/ de-capitalised and depreciated over the remaining useful life of the asset.

e. 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's management determines the policies and procedures for 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.

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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.

The management and the Company's external valuers present the valuation results to the Audit Committee. 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 2A)
- Intangible assets (note 4A and 4B)
- Disclosures for valuation methods, significant estimates and assumptions (note 29)
- Financial instruments (including those carried at amortised cost) (note 37)
- Comparison of carrying value and fair value of financial instruments (note 37)
- Quantitative disclosures of fair value measurement hierarchy (note 38)

f. Revenue recognition

Revenue from contracts includes revenue with customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

iii) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Variable consideration
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. Where the customers are provided with discounts, rebates etc., such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Sale of goods (including sale of scrap included under other operating revenue)
Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognised when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Amounts disclosed as revenue are inclusive of excise duty (upto June 30, 2017) and net of returns and allowances, trade discounts, cash discounts and volume rebates.

Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. The Company collects Goods and Service Tax ('GST') (w.e.f. July 1, 2017) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The Company 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
Revenue from marketing services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. In case, the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered and if it is probable that expenses were not recoverable, revenue is not recognised.

Revenue from management services and business auxiliary services are recognised as and when services are rendered.

Interest Income
For all debt instruments/ subsidies 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/ subsidies 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 “finance income” in the statement of profit and loss.

Dividend
Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Export incentives
Export entitlements in the form of Merchandise Export from India Scheme (MEIS) are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Income arising from export incentives are included under 'Other operating revenue'.

Insurance and other claims
Insurance and other claims and other claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

g. Government grants and subsidies

Government grants and subsidies are recognised where there is reasonable assurance that the grant/ subsidy will be received and all attached conditions will be complied with. When the grant/ subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Where the grant/ subsidy relates to an asset, it is recognised as deferred income which is recognised as income on a systematic and rational basis over the useful life of the related asset.

When loans or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognises interest expense corresponding to such loan. Income arising from below-market rate of interest loans/ interest free loans, are included under 'finance income'.

Government grant and subsidy that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, are recognised in statement of profit and loss of the period in which it becomes receivable.

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Government grants and subsidies are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants/ subsidy are intended to compensate. The Company has chosen to present grants related to income to be deducted in reporting the related expense. Income from subsidies in the nature of operations are included under 'Revenue from Operations'.

Customs duty saved on property, plant and equipment imported under Export Promotion Capital Goods (EPCG) scheme is a government grant. Such government grant is recognised as 'deferred government grant', which is released to statement of profit and loss on the basis of actual exports made by the Company.

h. Income Taxes

Tax expense comprises current income tax and deferred tax.

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

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). 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 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.

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Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and 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.

i. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Assets once classified as held for sale are not depreciated or amortised.

j. Property, plant and equipment

The Company had measured property, plant and equipment (PPE) except leasehold land, vehicles, furniture and fixtures, office equipment and mines development at fair value as on the transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicles, furniture and fixtures, office equipment and mines development, the Company had applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at transition date.

PPE 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. Cost comprises the purchase price, including import duties and non- refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. 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.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. 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 and loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Capital work-in-progress (CWIP)

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised till the period of commissioning has been completed and the asset is ready for its intended use.

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

Depreciation expense

Depreciation on property, plant and equipment is provided on a straight-line basis, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/ assessments.

The management believes that useful lives currently used, which are as prescribed under Schedule II of the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Type of Asset	Useful life (in years)
Buildings	
Factory buildings	30 years
Non-factory buildings *	30 to 60 years
Roads	5 to 10 years
Plant and equipments	
Continuous process plant	25 years
Other plant and equipment *	5 to 15 years
Plant and equipment related to Captive Power Plant *	25 years
Mines related assets *	4 to 8 years
Certain Diesel Generator Sets and workshop appliances *	5 years
Furniture and Fixtures	10 years
Office equipment	
End user devices such as computers	3 years
Servers and networks	6 years
Vehicles	
Motor cycles, scooters and other mopeds	10 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 years

* The Company, based on technical assessment made by technical expert and management estimate, depreciates these items of property, 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 and Mines Development cost are amortised over their estimated commercial life based on the unit of production method. Freehold non-mining land is not depreciated. Leasehold non-mining land held under finance lease is amortised over a period of lease.

The Company has separately assessed the useful life of major components of plant and equipment ranging from 10 to 25 years.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

On an item of property, plant and equipment discarded during the year, accelerated depreciation is provided for upto the date on which such item of property, plant and equipment is discarded.

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.

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.

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k. Investment properties

The Company had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

Investment property 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.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

l. Intangible assets

(i) Goodwill arising as per Scheme of Arrangement and Amalgamation approved by NCLTs except goodwill to the extent of Rs. 10.

a) Goodwill arising on amalgamation of Adwetha Cement Holdings Limited ('ACHL') has been recognised in accordance with scheme approved by NCLT. Said goodwill is initially measured, being the excess of cost of investment in ACHL cancelled over net identifiable assets acquired and liability assumed. Said goodwill has been amortised in accordance with scheme over a period of 4 years.

b) Goodwill arising on amalgamation of Adhunik Cement Limited ('ACL') 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 (including fair value of mining rights) acquired and liability assumed.

The subsequent measurement is at deemed cost less any accumulated impairment losses. The said goodwill is not amortised and is tested for impairment annually.

c) Goodwill and goodwill having underlying intangible assets, acquired pursuant to transfer of Undertakings of Odisha Cement Limited ('ODCL') to the Company by way of slump exchange has been recognised in accordance with scheme approved by NCLT. Said goodwill and goodwill having underlying intangible assets have been amortised in accordance with approved scheme over a period of 5 years and 10 years respectively.

(ii) Mining rights

a) The Company has carried out fair valuation of mining rights of the mines of ACL (amalgamated with the Company from the appointed date January 1, 2015). Said mining rights are amortised over their estimated commercial life based on the unit of production method.

b) Mining rights acquired pursuant to transfer of Undertakings of ODCL to the Company by way of slump exchange has been recognised at fair value in accordance with scheme approved by NCLT. Said mining rights are amortised over their estimated commercial life based on the unit of production method.

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 (other than limestone)

Brands and Raw materials procurement rights acquired pursuant to transfer of Undertakings of ODCL to the Company by way of slump exchange have been recognised at fair value in accordance with scheme 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 and raw materials 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 Company had measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015, which became 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 derecognition 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 6 years and accordingly amortised over its useful life.

Research and development expenditure
Expenditure incurred on research and development, other than on capital account, is charged to revenue.

m. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised 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 (calculated using the effective interest rate method), hedge related cost incurred in connection with foreign currency borrowings and other costs that an entity incurred 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. Premium payable on early redemption of debt securities, in lieu of future finance costs, is written off as borrowing costs as and when paid.

n. 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.

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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 capitalised in accordance with the Company's general policy on the borrowing costs [See note 1B(ii)(m)]. 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 increases.

o. Inventories

Inventories are valued at lower of cost and net realisable 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, packing materials and stores 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 moving weighted average basis, except in case of Limestone inventories included in Raw materials and Coal inventories (in one of the unit) included in Stores and spares inventories, where cost is determined on annual 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 is determined on weighted average basis.

- Stock in trade: 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 realisable 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.

p. 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

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S.S. KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI 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.

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 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.

q. Provisions and contingent liabilities

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.

Mines reclamation liability
The Company records a provision for mines reclamation cost until the closure of mine. Mines reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. 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 capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r. Retirement and other employee benefits

Retirement benefits in the form of contribution to Statutory Provident Fund, Pension Fund, Superannuation Fund and National Pension Scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. 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 and loss in subsequent periods.

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

Current service cost is recognised within employee benefits expenses. Net interest expense or income is recognised with finance costs.

Accumulated leave, which is expected to be utilised 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. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

s. Share-based payments

Certain employees (Senior Executives) of the Company receive remuneration in the form of share-based payments (share options of the holding Company i.e. Dalmia Bharat Limited (formerly known as Odisha Cement Limited)), whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
Share options issued by the holding company are accounted for as equity settled as the Company has no obligation to settle the share-based payment transaction and also the shares are of holding company.

The Company measures and recognises the expense associated with share-based payment awards made to employees based on estimated fair values obtained by the holding company being the administrator of the scheme. Cost is accounted for in the books of the holding company and is recharged to the Company and accounted for by the Company over the vesting period.

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.

The cost is recognised, together with a corresponding increase 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 holding

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Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of holding Company are reflected within the grant date fair-value.

t. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of equity shares that would be issued in accordance with scheme approved by NCLT.

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.

u. 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. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. 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 at fair value through other comprehensive income (FVTOCI)
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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 and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade, loans 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.

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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 amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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.

Equity instrument at FVTOCI

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity investment is not held for trading, an irrecoverable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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 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 recognised 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.

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 or as derivatives, as appropriate.

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 financial guarantee contracts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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 and 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 14(i)

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.

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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 and 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.

v. Derivative financial instruments

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as foreign exchange option contract, foreign exchange forward contract and interest rate swap contract, to hedge its foreign currency risks and interest rate 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.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

w. 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.

x. Segment reporting

Identification of segments
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers
Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

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
Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Segment accounting policies
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.

y. Cash dividend distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

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C. Recent accounting pronouncements

(i) Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the last date of 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, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

(a) Ind AS 116 Leases

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Company will be April 01, 2019.

The Company is in the process of making an assessment of the impact of Ind AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in following accounting standards. These are:

i) Ind AS 12 Income taxes to 'Appendix C' Uncertainty over income tax treatments.
ii) Ind AS 19 Employee Benefits
iii) Ind AS 23 Borrowing Costs
iv) Ind AS 28 Investments in Associates and Joint Ventures
v) Ind AS 109 Financial Instruments
vi) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company's financial statements.

(ii) New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

(a) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 did not have any significant impact on the financial statements of the Company.

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(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

i) Ind AS 20 Indian Accounting Standard (Ind AS) 20 Accounting for Government Grants and Disclosure of Government Assistance:- Government grant related to non-monetary asset

ii) Ind AS 38 Intangible asset:- Intangible asset acquired free of charge

iii) Ind AS 40 Investment Property :-Transfers of Investment Property
iv) Ind AS 28 Investments in Associates :- Investments in Associates and Joint Ventures
v) Ind AS 12 Income taxes :- Recognition of Deferred Tax Assets for Unrealised Losses

The effect on adoption of above mentioned amendments were insignificant on the financial statements of the Company.

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

2A. Property, plant and equipment

Rs.

	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
Deemed Cost * / Cost									
As at April 1, 2017	877	25	955	7,381	14	20	31	46	9,349
Additions	46	-	30	215	1	1	6	1	300
Disposals	(0)	-	(1)	(13)	(0)	(1)	(0)	-	(15)
Exchange difference	-	-	-	3	-	-	-	-	3
Reclassification	-	-	(1)	(0)	1	-	0	-	0
As at March 31, 2018	**923**	**25**	**983**	**7,586**	**16**	**20**	**37**	**47**	**9,637**
Additions	42	1	21	253	2	2	11	6	338
Disposals	(0)	-	(0)	(127)	(0)	(0)	(1)	-	(128)
Exchange difference	-	-	-	3	-	-	-	-	3
Adjustment	-	11	-	-	-	-	-	-	11
As at March 31, 2019	**965**	**37**	**1,004**	**7,715**	**18**	**22**	**47**	**53**	**9,861**
Depreciation									
As at April 1, 2017	9	1	110	920	2	6	12	17	1,077
Charge for the year	7	0	53	501	2	3	7	7	580
Disposals	-	-	(0)	(6)	(0)	(1)	(0)	-	(7)
As at March 31, 2018	**16**	**1**	**163**	**1,415**	**4**	**8**	**19**	**24**	**1,650**
Charge for the year	9	0	54	592	2	2	7	4	670
Disposals	-	-	(0)	(124)	(0)	(0)	(0)	-	(124)
Adjustment	-	3	-	-	-	-	-	-	3
As at March 31, 2019	**25**	**4**	**217**	**1,883**	**6**	**10**	**26**	**28**	**2,199**
Net block									
As at March 31, 2019	**940**	**33**	**787**	**5,832**	**12**	**12**	**21**	**25**	**7,662**
As at March 31, 2018	**907**	**24**	**820**	**6,171**	**12**	**12**	**18**	**23**	**7,987**

*Refer note 1(B)(ii)(j).

Notes:

(i). Registration of land amounting to Rs. 13 (March 31, 2018 : Rs. 16) is pending to be registered in the name of the Company.

(ii). The Company has pledged certain assets against borrowings which has been disclosed in note 14(i).

(iii). Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv). In terms of Schemes of Arrangement and Amalgamation, the title deeds of certain portion of immovable properties of erstwhile Adhunik Cement Limited, erstwhile Adhunik MSP Cement (Assam) Limited (transferred through amalgamation), Power Undertakings of erstwhile DCB Power Ventures Limited and Undertakings of Odisha Cement Limited (transfer through slump sale) are in the process of being transferred in the name of the Company.

(v). Disposals from (i) Plant and equipment having gross block of Rs. 7 (March 31, 2018: Rs. 0) and accumulated depreciation of Rs. 6 (March 31, 2018: Rs. 0) and (ii) Vehicles having gross block of Rs. 0 (March 31, 2018: Rs. Nil) and accumulated depreciation of Rs. 0 (March 31, 2018: Rs. Nil) transferred to 'Assets held for sale'.

(vi). Reconciliation of depreciation and amortisation expense:

Rs.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation and amortisation expense on:		
Property, plant and equipment	670	580
Goodwill	420	417
Other intangible assets	137	151
As per Property, plant & equipment Schedule	**1,227**	**1,148**
Less: Cost allocated to Capital work-in-progress (refer note 44)	(1)	-
As per Statement of profit and loss	**1,226**	**1,148**

(vii). Adjustment in 'Leasehold land' during the year represents mines reclamation cost transferred from 'Other intangible assets'.

2B. Capital work-in-progress (CWIP)

Movement of capital work in progress Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	150	108
Additions during the year	521	276
Capitalised during the year	(192)	(234)
Transfer to Intangible Assets under development	(1)	-
Closing balance	**478**	**150**

Notes :

(i). Capital work in progress mainly comprises plant and equipment under construction of Rs. 328 (March 31, 2018: Rs. 12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

(ii). Details of expenses capitalised and carried forward as a part of capital work in progress are disclosed in note 44.

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

3. Investment properties

Rs.

	Land (Freehold)	Total
Deemed Cost *		
As at April 1, 2017	0	0
Additions	-	-
Disposals	-	-
As at March 31, 2018	**0**	**0**
Additions	-	-
Disposals	-	-
As at March 31, 2019	**0**	**0**
Depreciation		
As at April 1, 2017	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2018	**-**	**-**
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	**-**	**-**
Net block		
As at March 31, 2019	**0**	**0**
As at March 31, 2018	**0**	**0**

*Refer note 1(B)(ii)(k).

Notes:

(i). The Company's investment properties consist of freehold lands for capital appreciation. The Company 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.

(ii). There is no material expenses incurred for the maintenance of investment properties nor income derived out of the same.

(iii). Investment properties are mortgaged against the secured borrowings of the Company as disclosed in note no. 14(i).

(iv). As at March 31, 2019, the fair value of the properties is Rs. 3 (March 31, 2018: Rs. 3). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer. The fair valuation of investment properties comprising lands are based on the benchmark value of land as fixed for different mouzas (village) by the authorities of respective State Governments.

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4. Intangible assets

Rs.

	Note 4A	Note 4B				
		Other intangible assets				
	Goodwill **	Brands $	Mining rights ^	Raw materials procurement rights #	Computer software	Total
Deemed Cost * / Cost						
As at April 1, 2017	3,376	1,973	1,174	279	10	3,436
Additions	-	-	-	-	2	2
Proceeds received	(289)	-	-	-	-	-
As at March 31, 2018	**3,087**	**1,973**	**1,174**	**279**	**12**	**3,438**
Additions	-	-	-	-	2	2
Disposals	-	-	-	-	-	-
Adjustment	-	-	(11)	-	-	(11)
As at March 31, 2019	**3,087**	**1,973**	**1,163**	**279**	**14**	**3,429**
Amortisation						
As at April 1, 2017	861	153	78	42	5	278
Charge for the year	417	77	51	21	2	151
As at March 31, 2018	**1,278**	**230**	**129**	**63**	**7**	**429**
Charge for the year	420	76	49	9	3	137
Disposals	-	-	-	-	-	-
Adjustment	-	-	(3)	-	-	(3)
As at March 31, 2019	**1,698**	**306**	**175**	**72**	**10**	**563**
Net block						
As at March 31, 2019	**1,389**	**1,667**	**988**	**207**	**4**	**2,866**
As at March 31, 2018	**1,809**	**1,743**	**1,045**	**216**	**5**	**3,009**

*Refer note 1(B)(ii)(I).

Net block Rs.

	As at March 31, 2019	As at March 31, 2018
Goodwill	1,389	1,809
Other intangible assets	2,866	3,009
	4,255	**4,818**

Note:
Adjustment in 'Mining rights' during the year represents mines reclamation cost transferred to 'Property, plant and equipment'.

****Goodwill acquired pursuant to Scheme of Arrangement and Amalgamation**

(a) Impairment testing of Goodwill
The carrying amount of Goodwill of Rs. 1,389 (March 31, 2018: Rs. 1,809) acquired pursuant to Scheme of Arrangement and Amalgamation has been allocated to Cement Cash Generating Unit (CGU) for impairment testing.

The Company performs annual impairment test for carrying value of goodwill. The Company considers the relationship between its market capitalisation based on other comparable companies and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36.

The recoverable amount of the Cement Business Unit (CGU) has been determined based on a value in use calculation using cash flow projections from financial projections approved by senior management of the Company, which are part of overall business plan covering a five-year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 16.94% and cash flows beyond the five-year period are extrapolated using a 4.00% growth rate which is consistent with the industry forecasts. As a result of the analysis, management did not identify any impairment for this CGU and accordingly, there is no impairment for goodwill amount.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Key assumptions used for value in use calculations
The calculation of value in use for the CGU is most sensitive to the following assumptions:

EBITDA margins
EBITDA margins are estimated based on the trend of actual EBITDA of cement segment for past 1 year preceding the beginning of the budget period.

Discount Rate
Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rates used to extrapolate cash flows beyond the forecast period
The Company has considered growth rate of 4% to extrapolate cash flows beyond the forecast period which is in line with the industry forecasts.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

Growth rate assumptions – A reduction to 1.50% in the long-term growth rate would result in value in use being lower than carrying amount of the assets.

Discount rates - A rise in pre-tax discount rate to 18.58% would result in value in use being lower than the carrying amount of the assets.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA by 10.00% would result in value in use being lower than carrying amount of the assets.

(b) Amortisation of recognised Goodwill

The Company had accounted for (a) Amalgamation of Adwetha Cement Holdings Limited ('ACHL') under the "Purchase Method" as prescribed by Accounting Standard (AS) 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and as per provision of Scheme of Arrangement and Amalgamation approved by the NCLT, Chennai Bench effective on November 17, 2017 with effect from Appointed Date March 15, 2016; and (b) Slump sale of all the assets (including goodwill and/ or intangible assets) and liabilities forming part of transferred Undertakings of Odisha Cement Limited as at January 1, 2015 (Appointed Date) to the Company on a going concern basis in accordance with allocation report prepared in accordance with AS 10, notified under Section 133 of the Companies Act, 2013 and as per the provisions of Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench effective on October 30, 2018.

Goodwill arisen on amalgamation alongwith goodwill acquired on slump sale is being amortised over a period of 4 to 10 years from the appointed date, as per the provisions of respective Schemes. As a result of amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by Rs. 420^^ (March 31, 2018 : Rs. 417).

^^ including Rs. 8 on account of accelerated amortisation of a particular goodwill amount from earlier policy of amortising over a period of 5 years to 4 years during the year.

$ Brands:

Pursuant to Scheme of Arrangement and Amalgamation, Company had recorded value of Brands acquired from ODCL based on the fair valuation carried out by independent valuer, as at the appointed date January 1, 2015 at an aggregate value of Rs. 1,991.

^ Mining rights include:

(a) Pursuant to Scheme of Arrangement, Company had carried out fair valuation of mining rights of the mines at ACL (amalgamated with the Company from appointed date January 1, 2015). A sum of Rs. 194 has been assigned to these mining rights.

(b) Pursuant to Scheme of Arrangement and Amalgamation, mining rights of the mines forming part of transfer of Undertakings of ODCL to the Company by way of slump exchange from the appointed date January 1, 2015. A sum of Rs. 969 has been assigned to these mining rights.

 # Raw materials procurement rights:

Pursuant to Scheme of Arrangement and Amalgamation, Company had recorded value of Raw materials procurement rights from ODCL 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.

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5. Biological assets other than bearer plants

Rs.

	Livestock	Total
Cost		
As at April 1, 2017	0	0
Additions	0	0
Disposals	-	-
As at March 31, 2018	**0**	**0**
Additions	0	0
Disposals	-	-
As at March 31, 2019	**0**	**0**
Depreciation		
As at April 1, 2017	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2018	**-**	**-**
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	**-**	**-**
Net block		
As at March 31, 2019	**0**	**0**
As at March 31, 2018	**0**	**0**

Note:
The livestock comprises of milch cattles and the produce is utilised for welfare of the employees. It is measured at cost as the fair value cannot be measured reliably.

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

	As at March 31, 2019	As at March 31, 2018
		Rs.
6. Financial assets		
(i) Investments		
A. Investment in equity shares - at cost		
Subsidiary companies		
Unquoted equity shares (Investment in subsidiaries)		
272,677,725 (March 31, 2018: 272,677,725) Shares of Rs. 10/- each fully paid up in Calcom Cement India Limited (refer note (a) below)	260	260
150,000,000 (March 31, 2018: Nil) Shares of Rs. 10/- each fully paid up in Dalmia DSP Limited (refer note (b) below)	150	-
100,000 (March 31, 2018: 100,000) Shares of USD 1/- each fully paid up in OCL Global Limited	39	39
695,500 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Dalmia Minerals & Properties Limited	52	0
18,817,500 (March 31, 2018: 18,817,500) Shares of Rs. 10/- each fully paid up in Alsthom Industries Limited	19	19
940,000 (March 31, 2018: 940,000) Shares of Rs. 10/- each fully paid up in Golden Hills Resort Private Limited	5	5
50,000 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Ishita Properties Limited	1	1
1,390,000 (March 31, 2018: 250,000) Shares of Rs. 10/- each fully paid up in D.I. Properties Limited	3	0
281,000 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Geetee Estates Limited	6	0
1,021,000 (March 31, 2018: 250,000) Shares of Rs. 10/- each fully paid up in Hemshila Properties Limited	6	0
454,500 (March 31, 2018: 10,000) Shares of Rs. 10/- each fully paid up in Jayevijay Agro Farms Private Limited	5	0
10,000 (March 31, 2018: 10,000) Shares of Rs. 10/- each fully paid up in Rajputana Properties Private Limited	0	0
1,304,000 (March 31, 2018: 250,000) Shares of Rs. 10/- each fully paid up in Shri Rangam Properties Limited	9	0
50,000 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Dhandauthapani Mines & Minerals Limited	0	0
259,400 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Madhusudana Mines & Properties Limited	6	0
725,000 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Shanmugha Mines & Minerals Limited	8	0
199,000 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Subramanya Mines & Minerals Limited	5	0
305,700 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Swaminatha Mines & Minerals Limited	3	0
285,500 (March 31, 2018: 50,000) Shares of Rs. 10/- each fully paid up in Sri Trivikrama Mines & Properties Limited	7	0
98,600 (March 31, 2018: 10,000) Shares of Rs. 10/- each fully paid up in Bangaru Kamakshiamman Agro Farms Private Limited	6	0
48,100 (March 31, 2018: 10,000) Shares of Rs. 10/- each fully paid up in Chandrasekara Agro Farms Private Limited	3	0
10,000 (March 31, 2018: Nil) Shares of Rs. 10/- each fully paid up in Hopco Industries Limited	0	-
	593	325
Associate - unquoted		
Nil (March 31, 2018: 48,995) Shares of Rs. 10/- each fully paid up in Dalmia Renewables Energy Limited (refer note (c) below)	-	0
	-	0
Joint ventures - unquoted		
1,836,500 (March 31, 2018: 1,836,500) Shares of Rs.10/- each fully paid up in Khappa Coal Company Private Limited (refer note (d) below)	2	2
Less : Impairment in value of investment	(2)	(2)
	-	-
7,348,000 (March 31, 2018: 7,348,000) Shares of Rs.10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited (refer note (e) below)	7	7
Less : Impairment in value of investment	(3)	(3)
	4	4
Sub-total (A)	**597**	**329**
B. Investment in equity shares - at fair value through OCI		
Others - unquoted		
449 (March 31, 2018: 449) Shares of Rs.10/- each fully paid up in Smarterearth Techserve Private Limited	0	0
374 (March 31, 2018: 374) Shares of Rs.10/- each fully paid up in Pumpcharge Internet Private Limited	0	0
449 (March 31, 2018: 449) Shares of Rs.10/- each fully paid up in Exchange4 Solar Private Limited	0	0
145 (March 31, 2018: 145) Shares of Rs.10/- each fully paid up in Khetify Solutions Private Limited	0	0
Sub-total (B)	**0**	**0**

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.
C. Investment in debentures or bonds (unquoted) - at cost		
5,900 (March 31, 2018: 5,900) zero coupon optionally redeemable convertible debentures of Rs. 1,00,000/- each in Saroj Sunrise Private Limited (refer note (f) below)	59	59
12 (March 31, 2018: 12) 8% non convertible secured debentures of Rs. 100/- each fully paid up in Indian Chamber of Commerce	0	0
2 (March 31, 2018: 2) 8% non convertible secured debentures of Rs. 25/- each partly paid up in Indian Chamber of Commerce	0	0
Sub-total (C)	**59**	**59**
D. Others (unquoted) - at cost		
50 (March 31, 2018: 50) units of Rs.100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
Sub-total (D)	**0**	**0**
Total (A+B+C+D)	**656**	**389**
Aggregate book value of unquoted investments	656	389
Aggregate amount of impairment in value of investments	5	5

Notes:

a) The Company has given undertaking to the lender of its subsidiary viz. Calcom Cement India Limited ("CCIL") that the Company shall not transfer, assign, dispose of, pledge, create charge or in any manner encumber or alienate its entire shareholding in "CCIL" until complete repayment of the loans by "CCIL " without prior written approval of the lender.

b) During the current year, Company has acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC"), which was approved by Hon'ble National Company Law Tribunal. The Company has made an investment of Rs.150 as fresh equity in 150,000,000 equity shares of Rs.10 each in KCL. KCL has become the wholly owned subsidiary of the Company w.e.f. July 10, 2018 and has been renamed as Dalmia DSP Limited.

c) During the year, Company has sold entire shareholding held by Company in Dalmia Renewables Energy Limited at face value i.e. Rs. 10 per equity share of Rs. 10 each.

d) The Company, in joint venture with Sun Flag Iron & Steel Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29, 2009 for development of coal mine and use of coal for captive mining. The Company had made an investment of Rs. 2 in equity 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, Company has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to Rs. 6 in earlier years.

e) 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 Company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.70%. The Company has invested Rs. 7 (March 31, 2018: Rs.7) in equity shares of the joint venture company which includes Rs. 4 (March 31, 2018: 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, as a matter of prudence, a provision of Rs. 3 (March 31, 2018: Rs. 3) was made in the financial statements in earlier years.

f) The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise Private Limited are in the nature of equity investment (also refer note 45(i)).

g) During the current year, Company has further made investments in equity shares of Rs. 10 each in following subsidiay companies:

Subsidiary companies	**Number of shares**	**(Rs.)**
(i) Dalmia Minerals & Properties Limited	6,45,500	52
(ii) Sri Shanmugha Mines & Minerals Limited	6,75,000	8
(iii) Sri Trivikrama Mines & Properties Limited	2,35,500	6
(iv) D I Properties Limited	11,40,000	3
(v) Geetee Estates Limited	2,31,000	6
(vi) Hemshila Properties Limited	7,71,000	6
(vii) Sri Rangam Properties Limited	10,54,000	9
(viii) Sri Madhusudana Mines & Properties Limited	2,09,400	6
(ix) Sri Subramanya Mines & Minerals Limited	1,49,000	5
(x) Bangaru Kamakshiamman Agro Farms Private Limited	88,600	5
(xi) Sri Swaminatha Mines & Minerals Limited	2,55,700	3
(xii) Jayevijay Agro Farms Private Limited	4,44,500	5
(xiii) Chandrasekara Agro Farms Private Limited	38,100	3
(xiv) Hopco Industries Limited	10,000	0
		117

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

	As at March 31, 2019	As at March 31, 2018
		Rs.
(ii) Loans (Unsecured, unless otherwise stated and considered good)		
Loans and advances to employees	8	7
Loans to a related party - Secured (refer note 35) */ **	401	-
	409	7

No loans or advances are due by directors or other officers of the Company 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.

* During the year, Company has taken over loans (including interest accrued) aggregating to Rs. 471 availed by its subsidiary company namely CCIL and step down subsidiary companies namely VCL Cement Limited and RCL Cement Limited from various banks and financial institution after entering into Novation agreement with subsidiary company/ step down subsidiary companies along with the respective banks and financial institution. The terms of security and repayment remains the same for CCIL towards Company as was the case with those respective banks and financial institution. The outstanding amount as at March 31, 2019 is disclosed in Non-current Loans and Current Loans.

**** Terms of security:**
(a) Rs. 384 (March 31, 2018: Rs. Nil) is secured by way of first pari-passu charge on entire (i) property, plant and equipment (immovable and movable assets) and (ii) intangible assets (both present and future) of CCIL having priority over existing charge holders except assets charged exclusively for specific purpose.

Further, secured by second pari-passu charge on entire current assets of CCIL, both present and future, provided ranking prior to the existing lenders on the cash flows of CCIL towards repayment. Also, secured by way of pledge of shares of CCIL held by other shareholder - Bawri Group (15.92% stake after entry of Dalmia Cement).

(b) Rs. 58 (March 31, 2018: Rs. Nil) is to be secured by way of first pari-passu charge on entire (i) property, plant and equipment (immovable and movable assets), (ii) intangible assets; and (iii) cash flows towards repayments (both present and future) of CCIL. Further, to be secured by second pari-passu charge on entire current assets of CCIL, both present and future.

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

	As at March 31, 2019	As at March 31, 2018
		Rs.
(iii) Other financial assets (Unsecured, considered good unless otherwise stated)		
Security deposits	32	33
Subsidies receivable	221	330
Incentives receivable	16	15
Advance against share application money (Considered doubtful Rs. 4 (March 31, 2018: Rs. 4))	4	4
Advance for warrants (refer note 45(ii))	0	0
Deposit with banks having remaining maturity of more than twelve months *	11	3
Interest receivable	0	0
Derivative instruments at fair value through profit and loss		
Foreign currency option contracts	48	57
	332	**442**
Less: Impairment allowance (allowance for doubtful advances)	(4)	(4)
	328	**438**

* Includes Rs. 11 (March 31. 2018 : Rs. 3), deposits kept with banks against bank guarantees given / are pledged with various authorities as margin money.

Break up of financial assets carried at amortised cost		
Loans to employees	8	7
Loans - related party	401	-
Security deposits	32	33
Subsidies receivable	221	330
Incentive receivable	16	15
Advance for warrants	0	0
Deposit with banks having remaining maturity of more than twelve months	11	3
Interest receivable	0	0
	689	**388**

Break up of financial assets carried at fair value through profit or loss		
Foreign currency option contracts	48	57
	48	**57**

Break up of financial assets carried at fair value through OCI		
Investment in equity shares	0	0
	0	**0**

7. Other non-current assets (Unsecured, unless otherwise stated and considered good, unless otherwise stated)

Capital advances		
- Secured *	89	0
- Unsecured (Considered doubtful Rs. 1 (March 31, 2018: Rs. 2))	219	65
Advances other than capital advances		
Advance to suppliers (Considered doubtful Rs. Nil (March 31, 2018: Rs. 0))	-	0
Prepayments	8	7
Other advances		
Deposits with Government departments and other authorities	24	17
	340	**89**
Less: Impairment allowance (allowance for doubtful advances)	(1)	(2)
	339	**87**

* Rs. 89 (March 31, 2018: Rs. 0) secured against bank guarantees held.

8. Inventories (at the lower of cost and net realisable value)

Raw materials		
On hand	204	126
In transit	10	16
Packing materials		
On hand	24	31
In transit	0	0
Work-in-progress	74	52
Finished goods	132	99
Stock in trade	92	-
Stores, spares etc.		
On hand	340	330
In transit	16	42
	892	**696**

Inventories are hypothecated with the banks against rupee loan and foreign currency loan on pari - passu on inter se basis. Refer note 18(i).

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	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.

9. **Financial assets**

(i) **Current investments**

	As at March 31, 2019	As at March 31, 2018
Investment measured at amortised cost		
Commercial papers (Unquoted)	139	-
	139	-
Investment measured at fair value through profit and loss		
Non-trade corporate bonds (Quoted)	464	218
Units of debt schemes of various mutual funds (Unquoted) (refer note 53)	359	1,932
Alternative investment fund (Unquoted)	22	-
	845	2,150
	984	**2,150**
Aggregate book value of quoted investments	464	218
Aggregate book value of unquoted investments	519	1,932

(ii) **Trade receivables**

	As at March 31, 2019	As at March 31, 2018
Trade receivables	459	445
Receivables from related parties (refer note 35)	24	5
	483	**450**
Break-up for security details :		
Trade receivables		
Secured, considered good *	202	231
Unsecured, considered good	452	382
Trade receivables - credit impaired	28	29
	682	**642**
Less: Accrual for rebates / discounts	(162)	(158)
Less: Accrual for free supplies	(9)	(5)
Less: Impairment allowance (allowance for doubtful receivables):		
Trade receivables - credit impaired	(28)	(29)
	(199)	**(192)**
	483	**450**

* Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.

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 netted off with bills discounted of Rs. 8 (March 31, 2018: Rs. 9).

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).

For information on financial risk management objectives and policies, refer note 39.

(iii) **Cash and cash equivalents**

	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- On current accounts *	87	102
- On deposit accounts with original maturity of less than three months **	90	153
- On cash credit accounts	9	4
Cash on hand	0	0
Cheques on hand	26	21
	212	**280**

* Balances with current accounts include Rs. 0 (March 31, 2018: Rs. 0) lying in current account with a nationalised bank, to be operated jointly by the authorised signatories of one of the unit of the Company and OCL Iron and Steel Limited in respect of coal block operations as referred in note 6(i)(e) above.

** Includes Rs. 0 (March 31, 2018 : Rs. 26), deposit kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- On current accounts	87	102
- On deposit accounts with original maturity of less than three months	90	153
- On cash credit accounts	9	4
Cash on hand	0	0
Cheques on hand	26	21
	212	**280**

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	

(iv) Bank balances other than (iii) above

Deposits with remaining maturity of less than 12 months *	180	18
	180	18

Short-term deposits are made for varying periods of between one day and twelve months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates ranging from 5.75% - 9.00%.

At March 31, 2019, Company had available Rs. 587 (March 31, 2018 : Rs. 719) of undrawn committed borrowing facilities.

* Includes Rs. 28 (March 31, 2018: Rs. 4), deposit kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

(v) Loans (Unsecured, unless otherwise stated and considered good)

Loans and advances to employees	6	6
Loans to related parties (refer note 35)		
- Secured *	41	-
- Unsecured	426	575
Loans to others	3	47
	476	628

* also refer footnote to note 6(ii) above.

(vi) Other financial assets (Unsecured, considered good unless otherwise stated)

Security deposits	19	17
Subsidies receivable	320	526
Incentive receivable	-	1
Interest receivable		
- Related parties (refer note 35)	92	94
- Others (Considered doubtful Rs. 0 (March 31, 2018: Rs. Nil))	34	11
Lease rent receivable	1	1
Claims receivable	1	2
(Considered doubtful Rs. 0 (March 31, 2018: Rs. 0))		
Other receivable		
- Related party (refer note 35)	2	-
- Others	5	2
Derivative instruments at fair value through profit and loss		
Foreign currency forward / option contracts	14	24
	488	**678**
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	488	**678**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign currency option contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for payments of funds borrowed.

Break up of financial assets carried at amortised cost

Investments- commercial papers	139	-
Trade receivables	483	450
Cash and cash equivalents	212	280
Other bank balances	180	18
Loan to employees	6	6
Loan to related parties	467	575
Loan - others	3	47
Security deposits	19	17
Subsidies receivable	320	526
Incentive receivable	-	1
Interest receivable - related parties	91	94
Interest receivable - others	34	11
Lease rent receivable	1	1
Claims receivable	1	2
Other receivable	7	2
Total financial assets carried at amortised cost	**1,963**	**2,030**

Break up of financial assets carried at fair value through profit or loss

Investment in non-trade corporate bonds	464	218
Investments in mutual funds	359	1,932
Investment in alternative investment fund	22	-
Foreign currency forward / option contracts	14	24
Total financial assets carried at fair value through profit or loss	**859**	**2,174**

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	

10. **Other current assets (Unsecured, unless otherwise stated and considered good, unless otherwise stated)**

	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Advances to suppliers		
- Secured, considered good (refer note (a) below)	25	25
- Unsecured, considered good	171	137
- Doubtful	7	4
In Trust Account of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) (refer note (b) below)	-	166
Prepayments	8	7
Deposits and balances with Government departments and other authorities		
- Unsecured, considered good	72	54
- Doubtful	1	-
Other receivable		
- Related party (refer note 35)	43	-
- Others	0	0
	327	**393**
Less: Impairment allowance (allowance for doubtful advances)	(7)	(4)
	320	**389**

Notes:

(a) Secured by way of a first ranking exclusive charge over the Hypothecated Property as prescribed in Deed of Hypothecation dated March 17, 2017.

(b) In terms of Scheme of Arrangement and Amalgamation amongst the Company, the Company's erstwhile holding company namely Dalmia Bharat Limited and Odisha Cement Limited and their respective shareholders and creditors approved by NCLT, Chennai effective October 30, 2018, Dalmia Bharat Limited had received certain income and incurred expenses on behalf of the Company for the period from January 1, 2015 till March 31, 2018, which aggregated to Rs.166 and was receivable from DBL as on March 31, 2018, which the Company has recovered during the current year. The same was included under 'Other Current Assets'.

11. **Assets held for sale**

	As at March 31, 2019	As at March 31, 2018
Assets classified as held for sale	1	0
	1	**0**

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs. 0 (March 31, 2018: Rs. 0) as impairment loss in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.

12A. Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised :		
385,350,000 (March 31, 2018: 350,100,000) Equity Shares of Rs. 10/- each *	385	350
30,000,000 (March 31, 2018: 30,000,000) Preference Shares of Rs. 100/- each	300	300
723,000,000 (March 31, 2018: 723,000,000) Unclassified Shares of Rs. 10/- each	723	723
	1,408	**1,373**

* Note:
Pursuant to amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited with the Company being effective on May 16, 2018 in accordance with Scheme of Arrangement, the authorised equity share capital of the Company stands increased by Rs. 35.

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and fully paid up :		
314,045,267 (March 31, 2018: 234,251,187) equity shares of Rs. 10/- each **	314	234
	314	**234**

** A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been approved by NCLT, Chennai Bench on May 1, 2018 and become effective on October 30, 2018 with effect from Appointed Date, i.e., January 1, 2015.

During the year, the Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to aforesaid Scheme.

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	**Rs.**	**No. of shares**	**Rs.**
At the beginning of the year	23,42,51,187	234	23,42,51,187	234
Issued during the year	7,97,94,080	80	-	-
At the end of the year	**31,40,45,267**	**314**	**23,42,51,187**	**234**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. In the event of dividend proposed by the Board of Directors, it shall be subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the Company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

c. Equity shares held by holding company

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	**Rs.**	**No. of shares**	**Rs.**
Dalmia Bharat Limited (including its nominees) (formerly known as Odisha Cement Limited)	31,40,45,267	234	23,42,51,187	234

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

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Dalmia Bharat Limited (including its nominees) (formerly known as Odisha Cement Limited)	31,40,45,267	100.00%	23,42,51,187	100.00%

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

e. Aggregate number of shares issued for consideration other than cash

	As at March 31, 2019	As at March 31, 2018
	No. of shares	**No. of shares**
Equity shares of Rs. 10 each allotted as fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to Scheme of Arrangement and Amalgamation	7,97,94,080	-

12B. Share capital suspense

	As at March 31, 2019	As at March 31, 2018
Share capital suspense *	-	6,200
	-	**6,200**

* A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been approved by NCLT, Chennai Bench on May 1, 2018 and become effective on October 30, 2018 with effect from Appointed Date, i.e., January 1, 2015.

During the year, Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid at a premium of Rs. 767/- per share to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the aforesaid Scheme. Accordingly, amount of Rs. 6,200 lying in Share Capital Suspense Account has been transferred to Equity share capital by Rs. 80 and to Securities premium by Rs. 6,120 during the year.

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

	As at March 31, 2019	As at March 31, 2018
13. Other equity		
Securities premium		
Opening balance as per last financial statements	443	443
Additions during the year	6,120	-
Closing balance	**6,563**	**443**
Debenture redemption reserve		
Opening balance as per last financial statements	285	378
Add: Created during the year	27	38
Less: Released during the year	(62)	(131)
Closing balance	**250**	**285**
Share based payment reserve		
Opening balance as per last financial statements	13	8
Add: Created during the year	3	5
Less: Released during the year	-	-
Closing balance	**16**	**13**
Retained earnings		
Opening balance as per last financial statements	1,956	1,652
Add: Amount released from debenture redemption reserve	62	131
Profit for the year	81	230
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains/(loss) on defined benefit plan (net of tax)	(10)	1
Less: Appropriations		
Transfer to debenture redemption reserve	(27)	(38)
Dividend paid	(33)	(20)
Tax on dividend	(7)	-
Total appropriations	**(67)**	**(58)**
Closing balance	**2,022**	**1,956**
Total other equity	**8,851**	**2,697**
Dividend distribution made and proposed		
Cash dividend on equity shares paid :		
Final dividend for the year ended March 31, 2018 : Rs. 1.044 per share (March 31, 2017: Rs. 0.84 per share)	33	20
Dividend distribution tax (DDT)	7	-
	40	**20**
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2019: Rs. 1.229 per share (March 31, 2018: Rs. 1.044 per share)	39	33
Dividend distribution tax (DDT)	8	7
	47	**40**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2019 and March 31, 2018.

Description of nature and purpose of each reserve

(a) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

(b) Debenture redemption reserve (DRR)- The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company 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 Company.

(c) Retained earnings- Retained earnings are the profits that the Company has earned till date, less any transfers to Debenture Redemption Reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

(d) Share based payment reserve- The Company measures and recognises the expense associated with share-based payment awards made to employees based on estimated fair values obtained by the holding company. Refer note 31 for further details.

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

			Rs.
		As at March 31, 2019	As at March 31, 2018
14.	Financial liabilities		
(i)	Borrowings		
	Secured		
A.	Redeemable non-convertible debentures (Refer sub note 1 below)	1,340	1,776
	Less: Shown in current maturities of long term borrowings	(540)	(311)
		800	1,465
B.	Term loans		
	a. From banks (refer sub note 2 below):		
	i. Foreign currency loan	573	476
	ii. Indian rupee loan	2,285	2,351
	Less: Shown in current maturities of long term borrowings	(97)	(72)
		2,761	2,755
	b. From financial institution (refer sub note 3 below):		
	Foreign currency loan	-	139
	Less: Shown in current maturities of long term borrowings	-	(28)
		-	111
	c. From others (Refer sub note 4 below)	203	346
	Less: Shown in current maturities of long term borrowings	-	(59)
		203	287
C.	Deferred payment liabilities (refer sub note 5 below)	7	8
	Less: Shown in current maturities of long term borrowings	-	-
		7	8
D.	Present value of land lease obligation (refer sub note 6 below)	1	1
	Less: Shown in current maturities of long term borrowings	(0)	(0)
		1	1
	Total (I)	**3,772**	**4,627**
	Unsecured		
E.	Foreign currency loans from banks (refer sub note 7 below)	346	614
	Less: Shown in current maturities of long term borrowings	(277)	(386)
		69	228
F.	Long term loans and deposits from a related party (refer sub note 8 below and note 35)	5	5
	Less: Shown in current maturities of long term borrowings	(5)	(5)
		-	-
	Total (II)	**69**	**228**
	Total long term borrowings (I+II)	**3,841**	**4,855**
	Current maturities of long term borrowings - Secured	637	470
	Current maturities of long term borrowings - Unsecured	282	391
	Total current maturities of long term borrowings disclosed in note 18(iii)	**919**	**861**

1) Debentures referred to in A above to the extent of:

i) 9.91% Series A Rs. Nil (March 31, 2018 Rs. 208) were secured by pledge of investments & redeemable in January 2019. The debentures were fully redeemed during the year.

ii) 9.91% Series B Rs. 198 (March 31, 2018: Rs. 197) are redeemable in January 2020.

iii) 9.91% Series C Rs. 296 (March 31, 2018: Rs. 296) are redeemable in January 2021.

In respect of (ii) and (iii) above, the underlying security has been actually cancelled pursuant to Scheme of Arrangement and Amalgamation amongst the Company, the Company's holding company namely, Dalmia Bharat Limited and step down subsidiary namely, Odisha Cement Limited approved by NCLT and became effective on October 30, 2018 with effect from Appointed Date, i.e., January 1, 2015. As provided under the debenture trust deed, the Company has requested the debenture holders to accept alternate security in replacement of the underlying security, for which consent has been granted by the debenture holders for creation of such alternate security within a time period of 180 days.

The Board of Directors of the Company in its meeting held on May 9, 2019 has given its approval for creation of alternate security by way of first pari-passu charge over fixed assets (movable and immovable) of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future) or charge on any other fixed assets of the Company to existing debenture holders for outstanding amount. Company has also requested for No Objection Certificate (NOC) from the existing chargeholders for ceding of first pari-passu charge over fixed assets (movable and immovable) of the mentioned cement units.

Company expects to receive NOC for ceding of first pari-passu charge over fixed assets as well as to create alternate security, before the expiry of above prescribed period.

iv) 10.75% Series 1A Rs. 34 (March 31, 2018: Rs.67) are secured by first pari-passu charge on (a) land, building, assets, plant & equipment of Dalmiapuram unit and (b) plot at Gujarat and redeemable in three yearly instalments in the ratio 33:33:34 commencing from January 2018.

v) 10.75% Series III A,B,C and Series IV P,Q,R Rs. 70 (March 31, 2018: Rs. 140) are secured by first pari-passu charge on movable and immovable Property, Plant and Equipment (both present and future) of Dalmiapuram unit in respect of Series III A,B,C and movable and immovable property, plant and equipment (excluding plant and equipment charged on exclusive basis to specific lenders) (both present and future) of Kadappa and Ariyalur units in respect of Series IV P,Q,R and redeemable in three yearly instalments commencing from August 2017.

vi) 8.65% Rs. 124 (March 31, 2018: Rs. 249) are secured by first pari-passu charge over specified movable and immovable Property, Plant and Equipment of Dalmiapuram, Kadappa and Ariyalur units of the Company and redeemable in October 2019 and October 2020. The debentures of Rs.125 were early redeemed during the year.

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

	Rs. As at March 31, 2019	As at March 31, 2018

vii) 8.70% Rs. 20 (March 31, 2018: Rs. 20) are secured by first pari-passu charge over specified movable and immovable Property, Plant and Equipment of Dalmiapuram, Kadappa and Ariyalur units of the Company and redeemable in October 2021.

viii) 9.90% Rs. 599 (March 31, 2018: Rs. 599) are secured by way of first pari-passu charge on all movable and immovable property, plant and equipment (both present and future) of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack & Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) and redeemable in three yearly instalments commencing from March 30, 2020.

2) Term loans from banks referred to in B (a) above to the extent of :

i) Rs. 384 (March 31, 2018: Rs. 393) are secured by first pari-passu charge including mortgage on immovable and moveable fixed assets of cement units at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur), at 1 year MCLR plus 0.40% p.a. (present 8.95% p.a). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) Rs. 464 (March 31, 2018: Rs. 467) are secured by first pari-passu charge on entire property, plant and equipments (movable and immovable) of cement plant located at Belgaum, Karnataka both present & future (except specific equipment financed by ECA) at 1 year MCLR plus 0.40% p.a. (present 8.95% p.a). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) Rs. 345 (March 31, 2018: Rs. 352) are secured by way of first pari-passu charge over movable and immovable property, plant and equipments pertaining to cement plants of Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur) at 3 months MCLR plus 0.20% p.a. (present 8.80% p.a). It is repayable in unequal quarterly instalments starting from March 2018 till March 2030.

iv) Rs. 289 (March 31, 2018: Rs. 291) carrying interest rate at 1 Year MCLR plus 0.40% p.a. (present 8.95% p.a) are secured by way of first pari-passu charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata both present and future (except specific equipment financed by ECA lenders). It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

v) Rs. 192 (March 31, 2018: Rs. 194) carrying interest rate at 6 months MCLR plus 0.45% p.a. (present 8.85% p.a) are secured by way of first pari-passu charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata both present and future (except specific equipment financed by ECA lenders). It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

vi) Rs. 423 (March 31, 2018: Rs. 438) carrying interest at 6 months EURIBOR plus 2.50% p.a to be secured by first pari-passu charge by way of mortgage of immovable Property, Plant and Equipment and hypothecation of movable Property, Plant and Equipment of power assets located at Dalmiapuram, Ariyalur and Belgaum. The loan was availed in foreign currency and is repayable after 36 months from date of first disbursement i.e. May 31, 2017.

vii) Rs. 31 (March 31, 2018: Rs. 37) carrying interest at LIBOR plus 2.05% p.a (present 3.31% p.a) are secured by way of exclusive charge on Roller Press acquired through this loan for projects at Belgaum. The loan was 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. 130 (March 31, 2018: Rs. 163) carrying interest at 1 year MCLR plus 0.30% p.a 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 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.

ix) Rs. 264 (March 31, 2018: Rs. 268) carrying interest at 6 months MCLR plus 0.45% p.a are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack), OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future). The loan is repayable in 48 structured quarterly instalments commencing from March 2019.

x) Rs. 0 (March 31, 2018: Rs. 0) carrying interest rate of 10.00% p.a is secured by way of first and exclusive charge on the vehicles purchase therefrom. The loan is repayable in 60 monthly instalments of Rs. 0 each commencing from February 2015.

xi) Rs. 119 (March 31, 2018: Rs. Nil) carrying interest rate at 6 months LIBOR plus 1.94% p.a. are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur), OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future). The loan is repayable in 8 half yearly instalment of USD 2,142,857.10 each starting from December 15, 2018 and one instalment on USD 2,285,714.80 on December 15, 2022.

xii) Rs. 217 (March 31, 2018: Rs. 224) carrying interest at 1 year MCLR plus 0.25% p.a. are secured by first pari - passu charge on all movable and immovable fixed assets (both present and future) of the cement division situated at Jharkhand Cement Works, Bokaro. The loan is repayable in unequal 54 structured quarterly instalments of commencing from November 2016.

3) Term loans from financial institution referred to in B (b) above to the extent of :

Rs. Nil (March 31, 2018: Rs. 139) carrying interest at 6 months LIBOR plus 3.60% p.a were 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 Works (Midnapore, West Bengal) (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 was availed in foreign currency and was repayable in 14 half yearly instalments commencing from June 2016. The loan was fully paid during the year.

4) Term loans from others referred to in B (c) above to the extent of:

i) Term loan in form of Government grant of Rs. 163 (March 31, 2018: 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 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. 40 (March 31, 2018: Rs. 34) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of cement units at Dalmiapuram and Ariyalur. 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.

5) Deferred payment liabilities referred to in C above to the extent of:

i) Rs. 5 (March 31, 2018: Rs. 8) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant located at Karnataka from March 28, 2015 to December 31, 2016. This loan is secured by way of a bank guarantee issued by the Company and is repayable in 12 yearly equal instalments starting from March 17, 2030. 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 (refer note 17).

ii) Rs. 2 (March 31, 2018: Rs. Nil) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant located at Karnataka for period from January 2017 to June 2017. This loan is secured by way of a bank guarantee issued by the Company and is repayable in 12 yearly equal instalments starting from March 17, 2031. 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 (refer note 17).

6) Land lease obligation referred to in D above is repayable during lease period of 90 to 99 years. This is secured against leased assets and carry interest @ 10.00% p.a.

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	

7) Foreign currency loans referred to in E above to the extent of:

i) Rs. Nil (March 31, 2018: Rs. 289) carried interest at EURIBOR plus 2.50% p.a. and repayable in March 2019. The loan was fully paid during the year.

ii) Rs. Nil (March 31, 2018: Rs. 98) carrying interest at LIBOR plus 2.50% p.a. The loan was fully paid during the year.

iii) Rs. 173 (March 31, 2018: Rs. 162) carrying interest at 3 months LIBOR plus 1.90% p.a. and is repayable at the end of 15 months from date of disbursement i.e. February 26, 2018.

iv) Rs. 69 (March 31, 2018: Rs. 65) carrying interest at 3 months LIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. February 15, 2018.

v) Rs. 104 (March 31, 2018: Rs. Nil) carrying interest at 3 months LIBOR plus 2.15% p.a. and is repayable at the end of 445 days from the date of disbursement i.e. July 2, 2018.

8) Loan from a Joint Venture Company referred to in F above is carrying interest rate of 9.00% p.a and is repayable in November 2019 with renewal option.

(ii) Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposit received	1	1
Financial guarantee obligation (refer note 35(F))	-	1
Interest rate swap contract	-	2
	1	**4**
Financial liabilities carried at amortised cost		
Borrowings	3,841	4,855
Security deposit received	1	1
Financial guarantee obligation	-	1
	3,842	**4,857**
Financial liabilities carried at fair value through profit or loss		
Interest rate swap contract	-	2
	-	2

15. Provisions

	As at March 31, 2019	As at March 31, 2018
For mines reclamation liability (refer note 41)	41	30
For gratuity (refer note 30)	49	16
For contingencies (refer note 41)	3	3
	93	**49**

16. Income tax

(i) The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	As at March 31, 2019	As at March 31, 2018
Profit or loss section:		
Current income tax :		
Current income tax charge	56	85
Adjustment of tax relating to earlier years	2	(26)
Deferred tax :		
Relation to origination of temporary differences	8	114
MAT credit entitlement	(56)	(85)
Adjustment of tax relating to earlier years	8	1
Income tax expense reported in the statement of profit and loss	**18**	**89**
Other Comprehensive income (OCI) section:		
Deferred tax related to items recognised in OCI during the year		
Net (gains)/ loss on re-measurement of defined benefit plan	5	(1)
Income tax (expense)/ credit charged to OCI	**5**	**(1)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	98	319
Applicable tax rate	34.944%	34.608%
Computed tax expense	**34**	**110**
Adjustment of tax relating to earlier years	10	(25)
Dividend income exempt from income tax	(0)	(1)
Allowance of certain claims favourably by the income tax authorities for earlier years	-	(14)
Effect of allowances on expenditure during tax holiday period	8	(24)
Amortisation of goodwill in books considered as not deductible in provision for tax	18	16
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(45)	-
Realisation of brought forward long term capital loss not recognised in the books due to prudence	(11)	-
Change in deferred tax balances due to change in income tax rates from 34.608% to 34.944%	-	16
Others	4	11
Income tax reported in the statement of profit and loss	**18**	**89**

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(iii) Deferred tax

Deferred tax relates to the following:	Balance sheet		Statement of profit and loss	
	As at March 31, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax liabilities				
Property, plant and equipment (including goodwill and other intangible assets)	2,571	2,625	(54)	54
Others	-	5	(5)	(11)
Total deferred tax liabilities	**2,571**	**2,630**	**(59)**	**43**
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	32	27	(5)	15
Impairment allowance (for doubtful debts and advances)	11	11	0	(0)
Carry forward of tax losses / unabsorbed depreciation	901	997	96	58
Others	30	15	(15)	(0)
Total deferred tax assets	**974**	**1,050**	**76**	**73**
Deferred tax			**17**	**116**
Deferred tax liabilities	**1,597**	**1,580**		
MAT credit entitlement (after adjusting income tax provision for earlier years) *	243	236		
Deferred tax liabilities (net)	**1,354**	**1,344**		
Reconciliation of deferred tax liabilities (net):				
Opening balance as at April 1	1,344	1,326		
Tax expense during the year recognised in profit or loss	22	114		
Tax expense during the year recognised in OCI	(5)	1		
MAT credit entitlement	(7)	(97)		
Closing balance as at March 31	**1,354**	**1,344**		

* net of amount recoverable from Dalmia Bharat Limited (formerly known as Odisha Cement Limited) of Rs. 43 (March 31, 2018: Rs. Nil).

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has unabsorbed depreciation of Rs. 2,580 (March 31, 2018: Rs. 2,718) that are available for offsetting for indefinite life against future taxable profits of the Company. Business loss of the Company of Rs. Nil (March 31, 2018: Rs. 136) are available for offsetting future taxable profits for 8 years from the year in which losses arose and these losses will expire by March 2023. MAT credit will expire between March 2026 to March 2034.

The management at the end of each reporting period, asseses Company's ability to recognise deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. The management based on the future profitability projections, is confident that there would be sufficient taxable profits in future which will enable the Company to utilise the above MAT credit entitlement and carried forward unabsorbed depreciation.

The amortisation of goodwill arising pursuant to Scheme of Arrangement and Amalgamation has been treated as deductible expense under Section 32 of the Income Tax Act, 1961 on the basis of judicial pronouncements and legal opinion obtained by the Company.

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

		As at March 31, 2019	As at March 31, 2018
17.	**Government grants**		
(I)	**Deferred export promotion capital goods (refer sub note (a) below)**		
	At the beginning of the year	12	3
	Accrual during the year	-	9
	Released to the statement of profit and loss	(12)	-
	At the end of the year	**-**	**12**
(II)	**Deferred Government grant (refer sub note (b) below)**		
	At the beginning of the year	2	-
	Accrual during the year	-	2
	Released to the statement of profit and loss	(0)	(0)
		2	**2**
(III)	**Deferred Government grant (Refer sub note (c) below)**		
	At the beginning of the year	47	34
	Accrual during the year	16	17
	Released to the statement of profit and loss	(5)	(4)
	At the end of the year	**58**	**47**
	Total (I+II+III)	**60**	**61**
	Non current	54	43
	Current	6	18
		60	**61**

Notes:

a. The Company has deferred export promotion capital goods obligation to the extent of custom duty saved on plant and equipment 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 equipment imported is recognised as deferred government grant. Since the condition is on achievement of specified conditions, therefore deferred revenue will be released to statement of profit and loss when the exports are made by the Company. Based on the fulfilment of export obligations, deferred revenue of Rs. 12 (March 31, 2018: Rs. Nil) has been released to statement of profit and loss.

b. The Company has received grant towards capital investment under 'State Investment Promotion Scheme' as compensation for expenses already incurred or for the purpose of giving immediate financial support to the Company 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.

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.

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	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.

18. Financial liabilities

(i) Borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
(a) Cash credit from banks	49	0
(b) Working capital loan from banks	-	0
(c) Foreign currency loan from banks:		
- Buyer's credit	276	445
- Supplier's credit	18	-
- Packing credit foreign currency	3	8
	346	**453**
Unsecured		
(d) From related parties (refer note 35)	-	184
(e) Commercial papers	544	396
	544	**580**
	890	**1,033**

1) Cash credit from banks referred to in (a) above are secured by hypothecation of inventories and trade receivables by way of first pari passu charge with all other banks in the consortium and carry interest rate in the range of 8.50% p.a. to 10.35% p.a. (March 31, 2018: 9.60% p.a. to 11.00% p.a.).

2) Working capital loan from banks referred to in (b) above to the extent of:
Rs. Nil (March 31, 2018: Rs. 0) were secured by way of first pari passu charge over all current assets of the unit situated at Jharkhand Cement Works, Bokaro and carrying interest @ 8.35% p.a.

3) Foreign currency loan from banks referred to in (c) above to the extent of:

(i) Rs. 276 (March 31, 2018: Rs. 326) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favour ranking pari- pasu on inter se basis repayable in less than one year and carry interest rate at 3 months/ 6 months/ 12 months LIBOR plus 0.17% p.a. to 1.05% p.a. (presently 2.82% p.a. to 3.92% p.a.) (March 31, 2018: 1.72% p.a. to 2.47% p.a.).

(ii) Rs. Nil (March 31, 2018: Rs. 119) were 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 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 were further secured by second charge over the fixed assets of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). The interest rate was in the range of 0.22% p.a. to 2.77% p.a.

(iii) Rs. 3 (March 31, 2018: Rs. Nil) are secured by hypothecation of inventories and trade receivables by way of first pari passu charge with all other banks in the consortium repayable in less than one year. These packing credit foreign currency loans carry the interest rate of 2.00% p.a. to 4.74% p.a.

(iii) Rs. Nil (March 31, 2018: Rs. 8) were 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 situated at Rajgangpur, Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities were further secured by second charge over the fixed assets of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). These packing credit foreign currency loans carried the interest rate of 1.67% p.a. to 4.50% p.a.

(iv) Rs. 18 (March 31, 2018: Rs. Nil) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favour ranking pari-pasu on inter se basis repayable in less than one year and carry interest rate at 6 months LIBOR plus 0.40% p.a. (presently 3.05% p.a.).

4) Loans from related parties referred to in (d) above were repayable on demand and carried interest @ 9.00% p.a.

5) Commercial papers referred to in (e) above are payable in three months and carry interest rate in the range of 7.40% p.a. to 7.70% p.a. (March 31, 2018: 6.90% p.a. to 7.57% p.a.).

(ii) Trade payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	6	5
Total outstanding dues of creditors other than micro enterprises and small enterprises *	743	759
	749	**764**

* Trade payables include due to related parties Rs. 63 (March 31, 2018: Rs. 33) (refer note 35).
For maturity profile of trade payables and other financial liabilities, (refer note 39).

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	As at March 31, 2019	As at March 31, 2018
(iii) Other financial liabilities		
Current maturities of long term borrowings (refer note 14(i))	919	861
Current maturities of finance lease obligations (refer note 14(i))	0	0
Interest accrued but not due on borrowings		
- Related parties (refer note 35)	1	33
- Others	38	47
Security deposits received	364	458
Payables for purchase of property, plant and equipment	116	16
Accrued employee liabilities	21	16
Foreign currency option contracts/ Interest rate swap contract	3	-
Directors' commission payable (refer note 35)	1	1
Financial guarantee obligation (refer note 35(F)))	-	1
Purchase consideration payable (refer sub note below)		
- Related party (refer note 35)*	0	0
- Others **/ ***	41	41
Other interest payable		
- Related party (refer note 35)	-	0
- Others	-	1
Other payable	-	1
	1,504	**1,476**

Notes:
Purchase consideration payable include:
* Rs. 0 (March 31, 2018: Rs. 0) towards consideration payable by the Company to Dalmia Bharat Limited (shareholders of erstwhile Adwetha Cement Holdings Limited ('ACHL')) pursuant to amalgamation of ACHL in the Company effective on November 17, 2017 as per the Scheme of Arrangement and Amalgamation.

** As part of the purchase agreement with CCIL, a contingent consideration of Rs. 30 (March 31, 2018: Rs. 30) has been agreed. Refer note 45(i) for terms and conditions.

*** Rs. 11 (March 31, 2018: Rs. 11) towards purchase consideration payable against earlier years.

	As at March 31, 2019	As at March 31, 2018
Financial liabilities carried at amortised cost		
Trade payables	749	764
Borrowings	890	1,033
Current maturities of long term borrowings	919	861
Current maturities of finance lease obligations	0	0
Interest accrued but not due on borrowings	40	80
Security deposits received	364	458
Payables for purchase of property, plant and equipment	116	16
Accrued employee liabilities	21	15
Directors' commission payable	1	1
Financial guarantee obligtion	-	1
Purchase consideration payable	41	42
Other interest payable - related party	-	0
Other interest payable - others	-	1
Other payable	-	1
	3,141	**3,273**
Financial liabilities carried at fair value through profit or loss		
Foreign currency option contracts/ Interest rate swap contract	3	-
	3	**-**

19. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Liability towards dealer incentive *	77	63
Advance from customers	105	78
Other liabilities		
- Statutory dues	240	254
- Others	35	36
	457	**431**

* Liability towards dealer incentive relates to the accrual and release of in-kind discount. As at March 31, 2019, the estimated liability towards in-kind discount amounts to Rs. 77 (March 31, 2018: Rs. 63).

20. Provisions

	As at March 31, 2019	As at March 31, 2018
For mines reclamation liability (refer note 41)	3	-
For gratuity (refer note 30)	1	5
For leave encashment	32	26
For other employee benefits	0	0
For contingencies (refer note 41)	1	4
	37	**35**

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	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)

21. Revenue from operations

	As at March 31, 2019	As at March 31, 2018
Sale of products (including excise duty) *		
Finished goods		
- Cement and its related products	7,709	6,932
- Power	14	13
- Refractories	380	279
Traded goods	26	182
Total sale of products	**8,129**	**7,406**
Management service charges	14	12
Marketing services	13	9
Business auxiliary services	2	28
Subsidies on sale of finished goods	103	386
Government grant	12	-
Other operating revenue	39	40
	8,312	**7,881**

* Sale of products includes excise duty collected from customers of Rs. Nil (March 31, 2018: Rs. 248). 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 Company 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, 2019 is not comparable with that of the previous year.

a. Revenue from contracts with customers disaggregated based on nature of product or services

	As at March 31, 2019	As at March 31, 2018
Revenue from sale of products (including excise duty)		
- Cement and its related products	7,709	6,932
- Power	14	13
- Refractories	380	279
Traded Sales	26	182
Revenue from sale of services		
Management service charges	14	12
Marketing services	13	9
Business auxiliary services	2	28
Other operating revenues	39	40
	8,197	**7,495**

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

	As at March 31, 2019	As at March 31, 2018
Total revenue from contracts with customers	8,197	7,495
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	103	386
Government grant	12	-
Revenue from contracts with customer as per the statement of profit and loss	**8,312**	**7,881**

b. Contract balance

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	As at March 31, 2019	**As at March 31, 2018**
Trade receivables	483	450
Contract liabilities:		
Advances from customers (refer note 19)	105	78

22. Other income

	As at March 31, 2019	As at March 31, 2018
Interest income	162	133
Interest income from other financial assets at amortised cost	42	36
Unwinding of interest income on financial instruments	9	6
Dividend income from current investments	2	4
Profit on sale of current investments (net)	166	98
Fair value of financial instruments measured at fair value through profit or loss:		
- Fair valuation gain/ (reversal) of fair valuation gain on current investments	(108)	17
Profit on redemption of investment in preference shares of a subsidiary company	-	0
Exchange difference (net)	9	-
Financial guarantee amortisation	2	0
Profit on disposal of property, plant and equipment (net)	1	-
Miscellaneous receipts	2	2
	287	**296**

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

	As at March 31, 2019	As at March 31, 2018
23. Cost of raw materials consumed		
Opening stock	142	103
Add: Purchases (refer note 49) *	1,651	1,208
	1,793	**1,311**
Less: Closing stock	213	142
Cost of raw materials consumed	**1,580**	**1,169**

* net of reversal of earlier years provision of Rs. Nil (March 31, 2018: Rs. 18) related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulation) Amendment Act, 2015, on the basis of Hon'ble Supreme Court Judgement dated October 13, 2017.

	As at March 31, 2019	As at March 31, 2018
24. Change in inventories of finished goods, work-in-progress and stock in trade		
Finished goods		
- Closing stock	132	99
- Opening stock	99	105
	(33)	**6**
Work-in-progress		
- Closing stock	74	52
- Opening stock	52	51
	(22)	**(1)**
Stock in trade		
- Closing stock	92	-
- Opening stock	-	-
	(92)	-
	(147)	**5**
Less: Transfer for self consumption	-	(0)
	(147)	**5**
25. Employee benefit expenses		
Salaries, wages and bonus	451	442
Contribution to provident and other funds	26	27
Gratuity expense (refer note 30)	14	7
Employee stock option scheme (net of reversal of Rs. Nil, March 31, 2018: Rs. 0)	3	5
Workmen and staff welfare expenses	31	28
	525	**509**
26. Finance costs		
(a) Interest cost:		
- On term loans and debentures	398	463
- On short term borrowings (net of subsidy of Rs. 0 (March 31, 2018: Rs. 0))	56	40
- On defined benefit obligation (net)	2	2
- On others (incluiding interest on income tax of Rs. 2 (March 31, 2018: Rs. (-)1) *	(7)	51
- On unwinding of interest	7	6
	456	**562**
(b) Other finance cost		
- Other borrowing cost	9	14
- Exchange differences to the extent considered as an adjustment to borrowing cost	29	74
	38	**88**

* net of reversal of interest liability of Rs. 39 (March 31, 2018: Rs. 14) provided for in earlier years.
Interest expense of Rs. 10 (March 31, 2018: Rs. Nil) is capitalised during the year.

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27. **Other expenses**

		As at March 31, 2019	As at March 31, 2018
		Rs.	Rs.
Packing expenses		335	302
Consumption of stores and spare parts		42	33
Repairs and maintenance :			
- Plant and machinery (refer note 49)		199	197
- Buildings		14	13
- Others		22	32
Rent		46	35
Rates and taxes		9	2
Insurance (net of subsidy Rs. 0 (March 31, 2018: Rs.0))		5	10
Management service charges		135	104
Depot expenses (refer note 49)		125	104
Excise duty on change in inventories		-	(14)
Professional charges		75	63
Advertisement and sales promotion		217	170
Travelling and conveyance		50	44
Bad debts/ advances written off	3		
Less: Impairment allowance for doubtful debts/ advances adjusted out of above	(2)	1	2
Impairment allowance (net)		3	3
Corporate social responsibility expenses (refer note 48)		6	11
Loss on disposal of property, plant and equipment (net)		-	4
Directors sitting fees (refer note 35)		0	1
Miscellaneous expenses (refer note 49) *		214	183
		1,498	**1,299**

* Also refer note 42 for remuneration of auditors

28. **Earnings Per Share**

	As at March 31, 2019	As at March 31, 2018
Net profit after tax for calculation of basic and diluted EPS (Rs.)	81	230
Weighted average number of equity shares outstanding	23,42,51,187	23,42,51,187
Weighted average number of equity shares in share capital suspense (refer note 12B)	-	7,97,94,080
Equity shares alloted during the year pursuant to Scheme of Arrangement and Amalgamation (refer note 12A)	7,97,94,080	-
Total number of equity shares outstanding at the end of the year in calculating basic and diluted EPS	**31,40,45,267**	**31,40,45,267**
Basic and Diluted EPS (Rupees)	**2.54**	**7.33**

29. **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 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 Company 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.

The Company is carrying MAT credit entitlement of Rs. 243 as at March 31, 2019 (March 31, 2018: Rs. 236). The Company can utilise the MAT credit for a period of 7 to 15 years.

Further details on taxes are disclosed in note 16.

Change in estimate

Deferred tax credit for the current year includes Rs. 45 on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

Defined benefit plan (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 38 for further disclosures.

Provision for mines reclamation

The Company has recognised a provision for mines reclamation based on its best estimates. 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, 2019 is Rs. 44 (March 31, 2018: Rs. 30). The Company estimates that the costs would be incurred in 1 year- 48 years for different mines upon the closure of mines and calculates the provision using the Discounted Cash Flow (DCF) based on discount rate of 7.79% p.a.

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Revenue recognition – Non-cash incentives given to customers

The Company estimates the fair value of non-cash incentives awarded by applying market rate offered by vendors to the Company. The assumption for determining fair value of non-cash incentives is based on the market rate of such schemes. As at March 31, 2019, the estimated liability towards non-cash incentive amounted to Rs. 77 (March 31, 2018: Rs. 63). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

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.

Change in estimate

During the year, Company has reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the year is lower by Rs. 2.

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. 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 as well as the expected future cash-inflows and the growth rateused for extrapolation purposes.

There are no impairment losses recognised for the years ended March 31, 2019 and March 31, 2018.

Subsidies receivable

The Company is entitled to various subsidies from Government in the form of government grant and recognise amount receivable from government as subsidy receivable when the Company is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Company records subsidy receivable by discounting it to its present value. The Company uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Company reviews its assumptions periodically, including at each financial year end.

Change in estimate

The Company 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 6 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.

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30. 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, except in case of employees of cement units situated at Meghalaya and Bokaro. 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.

Provident Fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust, except in case of certain employees of the Company. As per the applicable accounting standard, 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 actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and a provision has been recognised in respect of future anticipated shortfall with regard to interest rate obligation as at the balance sheet date.

The following tables summarize the components of defined benefit costs recognised in the statement of profit and loss and amounts recognised in the balance sheet for the above mentioned plan.

Statement of profit and loss

Components of defined benefit costs recognised in profit or loss Rs.

Particulars	Gratuity		PF	
	2018-19	2017-18	2018-19	2017-18
Current service cost	14	7	11	7
Net interest cost	1	1	1	1
Net benefit expense	**15**	**8**	**12**	**8**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019: Rs.

	Gratuity			PF		
	Defined benefit obligation	Fair value of plan assets	Net	Defined benefit obligation	Fair value of plan assets	Net
	(A)	(B)	(A-B)	(A)	(B)	(A-B)
April 1, 2018 (1)	**59**	**38**	**21**	**106**	**105**	**1**
Service cost (2)	14	-	14	11	-	11
Net interest expense (3)	2	1	1	13	9	4
Sub-total included in profit or loss (2+3)=(4)	**16**	**1**	**15**	**24**	**9**	**15**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	2	(2)	-	3	(3)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
Experience (gains)/ losses (7)	13	-	13	1	-	1
Change in financial assumption (8)	3	-	3	-	-	-
Sub-total (5+6+7+8)=(9)	**16**	**2**	**14**	**1**	**3**	**(2)**
Expense/ (income) included in OCI out of (9) above	**16**	**2**	**14**	-	-	-
Contributions by employer (10)	-	1	(1)	-	11	(11)
Contribution by plan participation/ employees (11)	-	-	-	23	23	-
(Settlements)/ Transfer in (12)	-	-	-	6	6	-
Acquisition adjustment	-	-	-	-	-	-
Benefits paid (13)	(4)	(4)	-	(5)	(5)	-
Sub-total (10+11+12+13)=(14)	**(4)**	**(3)**	**(1)**	**24**	**35**	**(11)**
March 31, 2019 (1+4+9+14)	**87**	**38**	**49**	**155**	**152**	**3**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018: Rs.

	Gratuity			PF		
	Defined benefit obligation	Fair value of plan assets	Net	Defined benefit obligation	Fair value of plan assets	Net
	(A)	(B)	(A-B)	(A)	(B)	(A-B)
April 1, 2017 (1)	**55**	**37**	**18**	**65**	**64**	**1**
Service cost (2)	7	-	7	7	-	7
Net interest expense (3)	4	3	1	7	5	2
Sub-total included in profit or loss (2+3)=(4)	**11**	**3**	**8**	**14**	**5**	**9**
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)	-	-	-
Experience (gains)/ losses (7)	(2)	-	(2)	1	-	1
Change in financial assumption (8)	(1)	-	(1)	-	-	-
Sub-total (5+6+7+8)=(9)	**(3)**	**0**	**(3)**	**1**	**3**	**(2)**
Expense/ (income) included in OCI out of (9) above	**(3)**	**0**	**(3)**	-	-	-
Contributions by employer (10)	-	-	-	-	8	(8)
Contribution by plan participation/ employees (11)	-	2	(2)	11	11	-
(Settlements)/ Transfer in (12)	-	-	-	22	21	1
Acquisition Adjustment	-	-	-	-	-	-
Benefits paid (13)	(4)	(4)	-	(7)	(7)	-
Sub-total (10+11+12+13)=(14)	**(4)**	**(2)**	**(2)**	**26**	**33**	**(7)**
March 31, 2018 (1+4+9+14)	**59**	**38**	**21**	**106**	**105**	**1**

The Company expects to contribute Rs. 55 (March 31, 2018: Rs. 24) to gratuity in the year 2019-20. The Company expects to contribute Rs. 12 (March 31, 2018: Rs. 7) to PF in 2019-20.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:- Rs.

	Gratuity		PF	
	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018
Investment pattern in plan assets:				
Insurance Company Products	15	15	-	-
Central Government Securities	1	1	18	13
State Government Securities	16	16	56	39
Special Deposit Scheme	2	2	5	4
Bonds/Securities of Public Financial Institutions	2	3	63	43
Cash and Cash Equivalents	1	-	1	1
Mutual Funds - Unquoted	1	1	-	-
Equity shares of listed companies	-	-	7	5
Total	**38**	**38**	**152**	**105**

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The principal assumptions used in determining Gratuity and PF for the Company are shown below:

	Gratuity		PF	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	%	%	%	%
Discount rate	7.25%	7.90%	7.25	7.60
Future salary increases	7.00%	5.00% - 9.00%	-	-
Guaranteed interest rate	-	-	8.65	8.55
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, 2019 and March 31, 2018 is as shown below:

Gratuity Plan: Rs.

Assumption	**Discount rate**				**Future salary increases**			
Sensitivity Level	1% decrease		1% increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018
Impact on defined benefit obligation (Rs.)	3	5	(3)	(5)	(3)	(5)	3	5

PF: Rs.

Assumption	**Discount rate**				**Interest rate guarantee**			
Sensitivity Level	1% decrease		1% increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation (Rs.)	5	3	(2)	(1)	(3)	(1)	5	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 plans in future years:

	Gratuity		**PF**	
	March 31, 2019'	**March 31, 2018**	**March 31, 2019'**	**March 31, 2018**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Within the next 12 months (next annual reporting period)	39	9	72	39
Between 2 and 5 years	34	24	39	22
Between 6 and 10 years	23	29	38	42
Beyond 10 years	21	59	-	78
Total expected payments	**117**	**121**	**149**	**181**

The weighted average duration (based on discounted cash flows) of the defined benefit plan obligation for gratuity at the end of the reporting period is 3 years (March 31, 2018: 5 to 14 years) and for PF at the end of the reporting period is 2.50 years (March 31, 2018: 8 years)

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.

Contribution to Defined Contribution Plans:

Particulars	**2018-19**	**2017-18**
		Rs.
Provident Fund/ Pension Fund	13	16
Superannuation Fund	1	1
National Pension Scheme	1	1

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31. **Share based payments**

Under the DBL ESOP Scheme 2018, share options of the holding company i.e. Dalmia Bharat Limited (formerly known as Odisha Cement Limited) are granted to senior executives of the Company ('DCBL') 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 holding company achieve targeted share price and on achievement of individual performance by eligible 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 Holding company charges the Company for the grant of shares to the Company's employees based on the fair valuation of the shares at the date of grant.

The expense recognised for employee services received during the year is shown in the following table -

	March 31, 2019	March 31, 2018
	Rs.	Rs.
Expense arising from equity-settled share-based payment transactions	3	5
Total expense arising from share-based payment transactions	**3**	**5**

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, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	4,50,000	350.27	5,39,500	175.24
Cancelled pursuant to Scheme of Arrangement and Amalgamation *	(4,50,000)	350.27	-	-
Granted during the year pursuant to DBL ESOP Scheme 2018	9,00,000	175.14	-	-
Exercised during the year	(168,000)^	168.01	(89,500)^^	289.17
Expired/ Lapsed during the year	-	-	-	-
Outstanding at the end of the year	7,32,000	176.77	4,50,000	350.27
Exercisable at the end of the year	-	-	-	-

^The weighted average share price at the date of exercise of these options is Rs. 1,214.40/-
^^The weighted average share price at the date of exercise of these options is Rs. 2,796.36/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4.88 years (March 31, 2018: 5.50 years). The range of exercise prices for options outstanding at the end of the year is Rs. 108.62/- to Rs. 191.77/- (March 31, 2018: Rs. 217.23/- to Rs. 383.53/-).

The following table list the inputs to the models used for the plan for the year ended March 31, 2019 and March 31, 2018:-

	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.per share)	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

* Dalmia Bharat Limited ('DBL') (formerly known as Odisha Cement Limited) had adopted a new ESOP Scheme namely DBL ESOP Scheme 2018 pursuant to the Scheme of Arrangement and Amalgamation amongst the Company, the Company's erstwhile holding company namely Dalmia Bharat Limited and Odisha Cement Limited and their respective shareholders and creditors approved by NCLT, Chennai effective October 30, 2018. As per the said new ESOP Scheme, DBL granted 2 (Two) new stock options ('New Options') to the eligible employees of Company in lieu of every 1 (one) stock option held by them under DBEL ESOP Scheme 2011 (whether vested or unvested).

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32. Leases

(a) Operating lease commitments- Company as lessee

The Company has taken various godowns, residential premises, office premises and plant and equipment under operating lease agreements. Also, the Company has lease agreements with railways to use the land of railways as railways siding for period of ten years and after five years with renewal option at the mutual consent of lessor and lessee. These are generally cancellable and are renewable by mutually agreed terms, except certain properties which are taken on a non-cancellable leases for a period of 9 years. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the Company by entering into these leases. There are no sub-leases.

Rs.

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year	45	35
	45	**35**

Future minimum rentals payable under non-cancellable operating leases as at March 31 are as follows:-

Rs.

Future minimum lease payments	As at March 31, 2019	As at March 31, 2018
Not later than one year	3	1
Later than one year but not later than five years	4	4
Later than five years	0	1
	7	**6**

(b) Finance lease

i. Company as a lessor

The Company had purchased wagons under "own your wagon scheme" of Railways and leased it to Railways on rent, the wagons were recognised as assets and carried in the books at written down value, the Company is earning rental income from the arrangement, hence it qualifies to be recognised as finance lease arrangement where Railways is the lessee. Future minimum lease receivables (MLR) and its present value under finance leases are as follows -

Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Future Gross MLR	Present value	Future Gross MLR	Present value
Not later than 1 year	-	-	-	-
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
Unguaranteed residual values	1	1	1	1
Total future minimum lease receivables	**1**	**1**	**1**	**1**
Unearned finance income	-	-	-	-
Total present value of MLR	**1**	**1**	**1**	**1**

ii. Company as a lessee

The Company has finance lease arrangements for land at various locations. These leases have term of between 90 and 99 years and are eligible for renewal at the end of lease term. Future minimum lease payments (MLP) and its present value under finance leases are as follows -

Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Future Gross MLP	Present value	Future Gross MLP	Present value
Not later than 1 year	0	0	0	0
Later than one year but not later than five years	0	0	0	0
Later than five years	7	1	7	1
Total future minimum lease payments	**7**	**1**	**7**	**1**
Less : Amount representing interest	7	-	7	-
Total present value of MLP	**0**	**1**	**0**	**1**

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33. Capital and other commitments

Rs.

Particulars	March 31, 2019	March 31, 2018
A. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	597	172
B. Other commitments		
(i) 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. Nil (March 31, 2018: Rs. 43))	-	310
(ii) Corporate guarantee given by 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	-	652
(iii) Outstanding amount against corporate guarantee given to banks on account of loans given by such banks to subsidiary company namely Calcom Cement India Limited	-	242
(iv) Guarantee given to a bank on account of Overdraft limit of USD 3.50 million given by such bank to subsidiary company namely OCL Global Limited	-	3
(v) Corporate guarantee given by the Company to a bank for issuance of bank guarantee on behalf of subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease	12	-
(vi) Estimated future investments in Alternative Investment Fund in terms of agreement with the fund	4	-
(vii) Contractual and other payments, which does not have any bearing on the results for the current and previous year.	31	31

C. The Company, during the previous year, had filed Resolution Plan (RP) pursuant to the provisions of IBC to the Resolution Professional appointed for revival of Murli Industries Limited (MIL) which is recommended by the Committee of Creditors to the National Company Law Tribunal, Mumbai Bench for its approval. Following receipt of requisite approvals, RP provides for payment of Rs. 402 to MIL creditors by the Company. Further, Company has given a bank guarantee of Rs. 50 as per RP. The matter is currently in the NCLT, Mumbai Bench. This acquisition, after its approval by NCLT, would help the Company to consolidate its footprint in Western region.

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34. Contingent liabilities / Litigations in respect of :

A) Not provided for -

Rs.

Particulars	March 31, 2019	March 31, 2018
i) Claims against the Company not acknowledged as debts	287	204
ii) Demands raised/ show cause notices issued by following authorities in dispute (including cases which have been remanded back for re-assessment):		
- Excise and Service tax	53	66
- Customs	38	1
- Sales tax/ Entry tax/ Purchase tax/ Market fee	108	109
- Income tax matters	42	73
	528	**453**

iii) Income tax department had carried out search operation in the office premises of erstwhile Adhunik Cement Limited (now a unit of the Company) on March 11, 2016 (concluded on May 03, 2016), consequent to which assessment orders under Section 153(A)/143(3) of the Income Tax Act, 1961 have been passed on December 30, 2018 from AY 2011-12 to 2017-18 and there is no additional income tax liability. However, unabsorbed depreciation has been reduced on account of addition of Rs. 42 made in AY 2011-12 and against the same, the Company has filed an appeal before appellate authority.

Further, Company has not adjusted the above amount while computing income tax/deferred tax liability since the Company has been legally opined that above addition may not be tenable.

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc., the Company 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 Company holds 76% shares in one of its subsidiary company Calcom Cement India Limited (CCIL), where Bawri Group (BG), other shareholder, holds 21% (approx.) voting rights. During the year 2015-16, Company alleged that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ 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 subsidiary 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. The management of subsidiary company 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.

BG has filed appeal against the order of NCLT, before the Hon'ble High Court Guwahati. Interim order issued by Guwahati High Court in the said appeal has been vacated by Hon'ble Supreme Court in May 2017 and the appeals are pending adjudication before the Hon'ble High Court. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

C) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

D) The Company 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 Company's investment in Bharathi 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 Company, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

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35. Related party transactions

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

Related parties where control exists:

i. **Holding company**
Dalmia Bharat Limited (formerly known as Odisha Cement Limited)

ii. **Fellow subsidiaries**
Dalmia Power Limited and Kanika Investment Limited (upto September 17, 2017)

iii. **Subsidiaries of the Company**
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 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, Chandrasekara Agro Farms Private Limited (w.e.f. January 20, 2018), OCL Global Limited, Dalmia DSP Limited (w.e.f. July 10, 2018), Hopco Industries Limited (w.e.f. December 21, 2018), Arjuna Brokers & Minerals Limited (upto January 29, 2018) and Shri Radha Krishna Brokers & Holdings Limited (upto January 29, 2018)

iv. **Step down subsidiaries of the Company**
Cosmos Cement Limited, OCL China Limited, RCL Cements Limited, SCL Cements Limited, Sutnga Mines Private Limited and Vinay Cement Limited

v. **Associate of the Company**
Dalmia Renewables Energy Limited (upto May 31, 2018)

vi. **Joint ventures**
Khappa Coal Company Private Limited and Radhikapur (West) Coal Mining Private Limited

Related parties with whom transactions have taken place during the year:

i. **Key Management Personnel/ Directors of the Company & their relatives**
Shri Jai Hari Dalmia- Non-Executive Director (upto October 30, 2018), Shri Yadu Hari Dalmia- Non-Executive Director (upto October 30, 2018), Shri Gautam Dalmia * - Non-Executive Director (w.e.f. October 30, 2018), Shri Puneet Yadu Dalmia – Managing Director (upto October 30, 2018), Shri Mahendra Singhi ** - Managing Director & CEO (w.e.f. October 30, 2018), Mr. G.N. Bajpai – Independent Director, Mr. N. Gopalaswamy - Independent Director, Mrs. Sudha Pillai - Independent Director, Mr. Paul Heinz Hugentobler - Independent Director, Mr. Jayesh Doshi - Chief Financial Officer, Mrs. Manisha Bansal - Company Secretary and
Mrs. Avantika Dalmia - Wife of Shri Puneet Yadu Dalmia

* Managing Director (upto October 30, 2018)
** Whole Time Director (upto October 30, 2018)

ii. **Enterprises controlled by Key Management Personnel of the Company**
Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Kanika Investment Limited (w.e.f. September 18, 2017) and Dalmia Bharat Group Foundation

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

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

Rs.

Name of the Related Party	Nature of related party	Dividend paid	Interest paid	Interest received	Loans and advances given	Loans and advances received back	Loans taken	Loans repaid	Remuneration paid *	Directors sitting fees	Directors commission	Purchase of assets	Sale of assets	Purchase of goods & services	Reimbursement of expenses payable	Reimbursement of expenses receivable	CSR	Rent paid	Security deposit given	Security deposit received back	Sale of goods & services	Subscription to equity share capital	Issue of equity share capital (including Securities Premium)	Redemption/ sale of investment	Adjustment of TDS receivable	Recovery of MAT credit entitlement	Transactions on account of amalgamation
Dalmia Bharat Limited	Holding	33 (20)	11 (36)	-	-	-	- (1)	184 (237)	-	-	-	-	-	145 (100)	0 (1)	0 (1)	-	-	- (0)	- (0)	0 -	-	6,200 -	-	-	43 -	- (57)
Dalmia Bharat Sugar and Industries	KMP controlled	-	-	-	-	-	-	-	-	-	-	- (0)	-	8 (5)	-	0 -	-	-	-	-	1 (1)	-	-	-	-	-	-
Dalmia Refractories Limited	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	-	22 (13)	-	0 (0)	-	-	-	-	7 (5)	-	-	-	-	-	-
Dalmia Power Limited	Fellow subsidiary	-	- (1)	1 (28)	-	3 (366)	-	- (110)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14 -	-	-
Kanika Investment Limited	Fellow subsidiary	-	- (0)	- (3)	- (16)	- (41)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alsthom Industries Limited	Subsidiary	-	-	2 (3)	84 (39)	36 (49)	-	-	-	-	-	-	-	0 -	0 -	- (0)	-	-	-	-	75 (47)	- (14)	-	-	-	-	-
Calcom Cement India Limited	Subsidiary	-	-	69 (54)	540 (93)	216 (88)	-	-	-	-	-	-	- (0)	2 (8)	0 (0)	0 (0)	-	-	- (0)	-	34 (26)	-	-	-	-	-	-
Dalmia DSP Limited	Subsidiary	-	-	1 -	39 -	-	-	-	-	-	-	-	-	4 -	-	1 -	-	-	-	-	26 -	150 -	-	-	-	-	-
OCL China Limited	Step down subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	37 (23)	-	-	-	-	-	-	-	-	-	-	-	-	-
OCL Global Limited	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 (2)	-	-	- (18)	-	-	-
Dalmia Renewables Energy Limited	Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0 -	-	-	-
Rajputana Properties Private Limited	Subsidiary	-	-	0 (0)	1 (3)	3 -	-	-	-	-	-	-	-	3 -	-	-	-	-	-	-	-	-	-	-	-	-	-
Hopco Industries Limited	Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0 -	-	-	-	-	-
Dalmia Minerals & Properties Limited	Subsidiary	-	-	0 (0)	0 (0)	51 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52 -	-	-	-	-	-
Jayevijay Agro Farms Private Limited	Subsidiary	-	-	0 (0)	0 (0)	4 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 -	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vinay Cement Limited	Step down subsidiary	-	-	21 (17)	2 (11)	1 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RCL Cements Limited	Step down subsidiary	-	-	0 -	3 -	1 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cosmos Cement Limited	Step down subsidiary	-	-	0 (0)	0 (0)	- (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chandrasekara Agro Farms Private Limited	Subsidiary	-	-	0 (0)	0 (2)	2 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 (0)	-	-	-	-	-
Others	Subsidiary	-	-	1 (1)	0 (0)	57 (0)	-	-	-	-	-	-	-	-	-	-	-	0 (0)	- (0)	-	-	57 -	-	-	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	-	13 (12)	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	42 (24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mahendra Singhi	KMP	-	-	-	-	-	-	-	26 (25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jai Hari Dalmia	Non-Executive Director/ Relative of KMP	-	-	-	-	-	-	-	3 -	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Yadu Hari Dalmia	Non-Executive Director	-	-	-	-	-	-	-	-	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	-	0 (0)	1 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	-	0 (0)	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Sudha Pillai	Independent Director	-	-	-	-	-	-	-	-	0 (0)	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Paul Heinz Hugentobler	Independent Director	-	-	-	-	-	-	-	-	0 (0)	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. T. Venkatesan	Non-Executive Director	-	-	-	-	-	-	-	-	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jayesh Doshi	Chief Financial Officer	-	-	-	-	-	-	-	- (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs Manisha Bansal	Company Secretary	-	-	-	-	-	-	-	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Group Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 (10)	-	-	-	-	-	-	-	-	-	-
Mrs. Avantika Dalmia	Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0 -	-	-	-	-	-	-
		33 (20)	**11 (37)**	**95**	**669 (164)**	**374 (544)**	**- (1)**	**184 (347)**	**84 (61)**	**0 (1)**	**1 (1)**	**- (0)**	**- (0)**	**221 (149)**	**0 (1)**	**1 (1)**	**5 (10)**	**0 (0)**	**- (0)**	**- (0)**	**145 (81)**	**267 (14)**	6,200 -	0 (18)	14 -	43 -	- (57)

All figures in ( ) represent amount for the year ended March 31, 2018

* KMP are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity and leave liability isdetermined for all the employees on an overall basis based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for KMP cannot be ascertained separately, except for the amount actually paid

Dalmia Cement (Bharat) Limited
Notes to financial statements
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

C) Balance outstanding at year end:

Rs.

Name of the Related Party	Nature of related party	Trade payables	Trade receivables	Borrowings	Interest payable	Other receivables	Interest receivable	Loan/ Advances receivable	Directors Commission payable	Remuneration payable	Share capital suspense	Purchase Consideration payable
Dalmia Bharat Limited	Holding	49 (19)	- (2)	- (184)	1 (32)	43 (166)	- -	- -	- -	- -	- (6,200)	0 (0)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	0 (0)	0 (0)	- -	- -	- -	- -	- -	- -	- -	- -	- -
Dalmia Refractories Limited	KMP Controlled	3 (2)	6 (0)	- -	- -	- -	- -	- -	- -	- -	- -	- -
Dalmia Power Limited	Fellow Subsidiary	- -	- -	- (0)	- (0)	- -	1 (26)	3 (6)	- -	- -	- -	- -
Kanika Investment Limited	Fellow Subsidiary	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Alsthom Industries Limited **	Subsidiary	- (0)	4 (1)	- -	- -	- -	2 (3)	58 (12)	- -	- -	- -	- -
Calcom Cement India Limited	Subsidiary	0 (1)	6 (1)	- -	- -	- -	54 (49)	656 (332)	- -	- -	- -	- -
Dalmia DSP Limited	Subsidiary	5 -	8 -	- -	- -	2 -	1 -	39 -	- -	- -	- -	- -
OCL Global Limited	Subsidiary	- -	0 (1)	- -	- -	- -	- -	- -	- -	- -	- -	- -
OCL China Limited	Step down subsidiary	6 (5)	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Dalmia Minerals & Properties Limited	Subsidiary	- -	- -	- -	- -	- -	- (0)	- (51)	- -	- -	- -	- -
Jayevijay Agro Farms Private Limited	Subsidiary	- -	- -	- -	- -	- -	- (0)	- (4)	- -	- -	- -	- -
Radhikapur (West) Coal Mining Private Limited	Joint Venture	- -	- -	5 (5)	- (1)	- -	- -	- -	- -	- -	- -	- -
RCL Cements Limited	Subsidiary	- -	- -	- -	- -	- -	- -	2 -	- -	- -	- -	- -
Rajputana Properties Private Limited	Subsidiary	- -	- -	- -	- -	- -	- (0)	3 (5)	- -	- -	- -	- -
Vinay Cement Limited	Subsidiary	- -	- -	- -	- -	- -	34 (15)	103 (102)	- -	- -	- -	- -
Chandrasekara Agro Farms Private Limited	Subsidiary	- -	- -	- -	- -	- -	- (0)	- (2)	- -	- -	- -	- -
Others	Subsidiary	- -	- -	- -	- -	- -	0 (1)	4 (61)	- -	- -	- -	- -
Mr. G.N. Bajpai	Independent Director	- -	- -	- -	- -	- -	- -	- -	1 (1)	- -	- -	- -
Mr. N. Gopalaswamy	Independent Director	- -	- -	- -	- -	- -	- -	- -	0 (0)	- -	- -	- -
Mrs. Sudha Pillai	Independent Director	- -	- -	- -	- -	- -	- -	- -	0 (0)	- -	- -	- -
Mr. Paul Heinz Hugentobler	Independent Director	- -	- -	- -	- -	- -	- -	- -	0 (0)	- -	- -	- -
Mr. Puneet Yadu Dalmia	KMP	- -	- -	- -	- -	- -	- -	- -	- -	- (6)	- -	- -
		63 **(27)**	**24** **(5)**	**5** **(189)**	**1** **(33)**	**45** **(166)**	**92** **(94)**	**868** **(575)**	**1** **(1)**	- (6)	- (6,200)	0 (0)

All figures in ( ) represent balance outstanding as at March 31, 201
** Outstanding loan given to a subsidiary amounting to Rs.14 was converted into investment in equity shares during the previous year (Refer note 6(i)).
Investment with related parties are disclosed in note 6(i). Outstanding guarantee given on behalf of subsidiary is disclosed in note 35(F).

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D) **Transactions with key management personnel**

Managerial remuneration of key management personnel of the Company:-

Rs.

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	40	51
Termination benefits	3	4
Post employment benefits	35	0
Share-based payments	3	6
Total managerial remuneration paid to key management personnel *	**81**	**61**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

* Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

E) **Directors' interest in the DBL ESOP Scheme 2018**

Grant Date	Expiry Date	Exercise Price	March 31, 2019	March 31, 2018
			Number outstanding *	**Number outstanding ***
January 29, 2015	January 29, 2021	108.62	1,32,000	90,000
February 03, 2016	February 03, 2022	191.77	6,00,000	3,60,000
			7,32,000	**4,50,000**

* Refer note 31

F) **Financial guarantee**

Guarantees given by the Company as at year end against the loan outstanding amounting to (i) Rs. Nil (March 31, 2018: Rs. 242) in the books of subsidiary Calcom Cement India Limited; and (ii) Rs. Nil (March 31, 2018: Rs. 3) in the books of subsidiary OCL Global Limited. The carrying amounts of the related financial guarantee contracts were Rs. Nil and Rs. 2 as at March 31, 2019 and March 31, 2018 respectively.

G) **Corporate guarantee**

(i) Corporate guarantee given by the Company to a bank on behalf of subsidiary company namely Rajputana Properties Private Limited for issuance of Performance Bank Guarantee by such bank in respect of Resolution Plan submitted for acquisition of Binani Cement Limited under Insolvency and Bankruptcy Code, 2016 is Rs. Nil (March 31, 2018: Rs. 652).

(ii) Corporate guarantee given by the Company to a bank for issuance of bank guarantee on behalf of subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease of Rs. 12 (March 31, 2018: Rs. Nil)

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

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36. Derivatives

Derivatives not designated as hedging instruments
The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk
The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Interest rate swap
The swap is being used to hedge the exposure to changes in the interest rate on borrowings. The increase/ decrease in fair value of the interest rate swap has been recognised in finance costs and offset with a similar gain / loss on the bank borrowings.

The foreign exchange forward contract, options and interest rate swap balances vary with the level of expected foreign currency payment and changes in foreign exchange rates.

Rs.

Particulars	March 31, 2019		March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	62	3	81	2

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37. Fair values

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 -

Rs.

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Financial assets carried at amortised cost				
Loans and advances to employees	14	13	14	13
Loans to related parties	868	575	868	575
Security deposits	51	50	51	50
Subsidies receivable	541	856	541	856
Incentive receivable	16	16	16	16
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	11	3	11	3
Investment in commercial paper (refer note 9(i))	139	-	139	-
Loans to others	3	47	3	47
Financial assets carried at fair value through profit or loss				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	62	81	62	81
Investment in non-trade corporate bonds (refer note 9(i))	464	218	464	218
Investment in mutual funds (refer note 9(i))	359	1,932	359	1,932
Investment in alternative investment fund (refer note 9(i))	22	-	22	-
Financial assets carried at fair value through OCI				
Investment in equity shares (refer note 6(i))	0	0	0	0
Financial liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,650	6,749	5,650	6,749
Security deposits received	365	459	365	459
Financial guarantee	-	2	-	2
Financial liabilities carried at fair value through profit or loss				
Foreign currency option contracts/ Interest rate swap contract	3	2	3	2

The Company assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets (except derivative financial instruments), trade payables and other current financial liabilities (except derviative financial liabilties) 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 Company based on parameters such as interest rates, risk factors, individual credit worthiness 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.

(c) The fair value of investment in corporate bonds are based on quoted market price at the reporting date. Fair value of investment in mutual funds/ alternative investment fund are based on market observable inputs i.e. Net Asset Value 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 Company'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, 2019 was assessed to be insignificant.

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38. 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 prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

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, 2019:

Rs.

Particulars	Carrying Value as at March 31, 2019	Level 1	Level 2	Level 3
Assets for which fair values are disclosed (note 37)				
Loans and advances to employees	14	-	-	14
Loans to related parties	868	-	-	868
Security deposits	51	-	-	51
Subsidies receivable	541	-	-	541
Incentive receivable	16	-	-	16
Deposit with banks having remaining maturity of more than twelve months	11	-	11	-
Investment in commercial paper (refer note 9(i))	139	-	139	-
Loans to others	3	-	-	3
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	5,650	-	5,650	-
Security deposits received	365	-	-	365
Assets measured at fair value				
Foreign currency option / forward / interest rate swap contracts	62	-	62	-
Investment in non-trade corporate bonds	464	464	-	-
Investment in mutual funds	359	-	359	-
Investment in alternative investment fund	22	-	22	-
Liabilities measured at fair value				
Foreign currency option contracts/ Interest rate swap contract	3	-	3	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018

Rs.

Particulars	Carrying Value as at March 31, 2018	Level 1	Level 2	Level 3
Assets for which fair values are disclosed (note 37)				
Loans and advances to employees	13	-	-	13
Loans to related parties	575	-	-	575
Security deposits	50	-	-	50
Subsidies receivable	856	-	-	857
Incentive receivable	16	-	-	16
Deposit with banks having remaining maturity of more than twelve months	3	-	3	-
Loans to others	47	-	-	47
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	6,749	-	6,749	-
Security deposits received	459	-	-	459
Financial guarantee obligation	2	-	-	2
Assets measured at fair value				
Foreign currency option / forward contracts	81	-	81	-
Investment in non-trade corporate bonds	218	218	-	-
Investment in mutual funds	1,932	-	1,932	-
Liabilities measured at fair value				
Interest Rate Swap	2	-	2	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

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39. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, 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. The Company also enters into derivative transactions.

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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

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 other 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. 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 and provisions.

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:

Rs.

March 31, 2019	Increase/ decrease in basis points	Effect on profit before tax
INR	+ 50 BPS	(12)
INR	- 50 BPS	12
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2

Rs.

March 31, 2018	Increase/ decrease in basis points	Effect on profit before tax
INR	+ 50 BPS	(11)
INR	- 50 BPS	12
USD	+ 50 BPS	(1)
USD	- 50 BPS	1
EURO	+ 50 BPS	(3)
EURO	- 50 BPS	3

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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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities and the same are hedged in line with established risk management policies of the Company including use of foreign exchange forward contracts, options and interest rate swaps.

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 Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The Company's exposure to foreign currency changes for currencies other than USD and EURO are not material.

Particulars	Change in foreign currency rate	Effect on profit before tax March 31, 2019	Effect on profit before tax March 31, 2018
USD	5%	(18)	(28)
	-5%	18	28
EURO and Others	5%	0	(2)
	-5%	(0)	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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks 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.

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 Company has no significant concentration of credit risk with any counter party.

Rs.

Ageing	Upto 180 days	More than 180 days	Total
As at March 31, 2019			
Gross carrying amount (A)	434	77	511
Allowance for credit losses (B)	1	27	28
Net carrying amount (A-B)	**432**	**50**	**483**
As at March 31, 2018			
Gross carrying amount (A)	406	74	479
Allowance for credit losses (B)	2	28	29
Net carrying amount (A-B)	**404**	**46**	**450**

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Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department inaccordance 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.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts of each class of financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's treasury department monitors liquidity on an ongoing basis through rolling cash flow forecasts. 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. Approximately 32% of the Company's debt will mature in less than one year at March 31, 2019 (March 31, 2018: 28%) based on the carrying value of borrowings reflected in the financial statements.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Rs.

Particulars	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
As at March 31, 2019					
Borrowings	1,812	1,798	458	1,660	5,727
Trade payables	749	-	-	-	749
Other financial liabilities	585	1	-	-	586
As at March 31, 2018					
Borrowings	1,904	2,418	656	1,847	6,825
Trade payables	764	-	-	-	764
Other financial liabilities	615	4	0	-	619

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40. 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 of the Company 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.

Rs.

Particulars	March 31, 2019	March 31, 2018
Long term borrowings	3,841	4,855
Short term borrowings	890	1,033
Current maturities of long term borrowings	919	861
Less : Cash and cash equivalents	212	280
Less : Current investments	984	2,150
Net debt	**4,455**	**4,320**
Equity	9,165	9,131
Capital and net debt	**13,620**	**13,451**
Gearing ratio	32.71%	32.11%

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, 2019 and March 31, 2018.

41. Movement of provision during the year:

Rs.

Particulars	Mines reclamation	Contingencies	Export promotion capital goods
As at April 1, 2017	27	14	37
Additions during the year	3	1	-
Utilised during the year	-	1	-
Re-classification from Trade payables	-	(8)	(37)
Reversed during the year	-	(1)	-
As at March 31, 2018	30	7	-
Additions during the year	14	-	-
Utilised during the year	-	(3)	-
As at March 31, 2019	44	4	-

Mines reclamation
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.

Contingencies
The Company has made provision in respect of probable contingent liabilities. The Company has assessed that the probability of paying this amount is high. The Company has, during the current year as well as previous year, settled most of such cases.

Export promotion capital goods
Based on the exports made by the Company during the previous year/ earlier years, which were considered for fulfilment of export obligation as per the Foreign Trade Policy, and based on the business plan of the Company/ subsidiary of the Company as at March 31, 2018, the management was confident that no provision was required in the books of accounts. Accordingly, provision made towards non-fulfilment of export obligation was reversed during the previous year. The reversal of such provision was adjusted from the accounts of (i) Deposits and balances with Government departments and other authorities; (ii) interest expense – others; and (iii) balance amount was included under other income.

42. Remuneration paid to statutory auditors (included in Miscellaneous expenses):

Rs.

Particulars	March 31, 2019	March 31, 2018
As an auditor		
i) Statutory audit fee	1	1
ii) Tax audit fees	0	0
iii) Limited review fee	1	1
In other capacity		
i) Certification fee (including certification of financial statements arising out of merger scheme)	1	1
ii) Taxation matters	0	0
Re-imbursement of expenses	0	0
	3	3

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43. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Rs.

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	6	5
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 Enterprises Development Act, 2006.	-	0
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	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

44. During the year, Company has incurred directly attributable expenditure related to construction of property, plant and equipment and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

Rs.

Particulars	March 31, 2019	March 31, 2018
Brought forward from last year	37	3
Expenditure incurred during the year:		
Employees benefit expenses	48	23
Interest cost**	10	-
Depreciation and amortisation expense	1	-
Power and fuel expense	0	0
Other expenses		
Consumption of stores and spare parts	2	0
Rent	0	0
Rates and taxes	0	-
Insurance	0	0
Professional charges	36	9
Travelling and conveyance	2	2
Miscellaneous expenses	12	2
Expenditure incurred in obtaining clearances and for acquiring land	-	12
Total expenditure during the year	111	48
Less : Capitalised during the year	10	14
Carried forward as part of Capital work-in-progress *	138	37

* Includes Rs. 116 (March 31, 2018 : Rs. 12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

** Interest comprises Rs.10 (March 31, 2018: Rs. Nil) on general borrowings for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India using the weighted average interest rate applicable during the year which is 8.13% p.a.

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45. (i) In 2011-12 the Company 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 Bawri Group (BG), other shareholder of Calcom) and BG. 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 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, 2018: Rs. 260) and Rs. 59 (March 31, 2018: 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. 761 (excluding interest and trade receivable of Rs. 94) as at March 31, 2019 (March 31, 2018: Rs. 434 (excluding interest and trade receivable of Rs. 65)) 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.175 during the year ended March 31, 2019 (March 31, 2018: Rs. 16). However, Calcom has accumulated losses of Rs. 296 as at March 31, 2019. 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.

(ii) During the earlier years, the Company had advanced Rs. 0 crore (Rupees One lac) to Calcom as application money towards share warrants. In terms of the agreement dated January 16, 2012 between the Company and BG, the share warrants, in case of non-fulfilment of certain specific project conditions by BG, would be converted into such number of equity shares that post conversion, the share holding of the Company in Calcom becomes 99%. Company vide letter dated May 15, 2015 gave notice to BG for non-fulfilment of project conditions which is currently being challenged by BG before the Arbitral Tribunal (also refer note 34(B)).

46. Details of loans and advances in nature of loans to subsidiaries, firms/ companies in which directors are interested and investments by the loanee in the shares of Company as required by Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Rs.

Particulars	Outstanding amount as at end of financial year March 31, 2019	Maximum amount outstanding during the year	Outstanding amount as at end of financial year March 31, 2018	Maximum amount outstanding during the Year
(i) Loans to subsidiaries				
Calcom Cement India Limited	656	740	332	346
Rajputana Properties Private Limited	3	6	5	5
Ishita Properties Limited	3	3	3	4
Alsthom Industries Limited	59	73	12	64
Chandrasekara Agro Farms Private Limited	-	2	2	2
Shri Rangam Properties Limited	-	8	9	9
Hemshila Properties Limited	-	6	6	6
Sri Madhusudana Mines & Properties Limited	-	6	6	6
Sri Shanmugha Mines & Minerals Limited	-	8	8	8
Sri Subramanya Mines & Minerals Limited	-	5	5	5
Sri Swaminatha Mines & Minerals Limited	-	3	3	3
D.I. Properties Limited	-	2	2	2
Bangaru Kamakshiamman Agro Farms Private Limited	-	5	5	5
Golden Hills Resort Private Limited	1	1	1	1
Jayevijay Agro Farms Private Limited	-	4	4	4
Dalmia Minerals & Properties Limited	-	51	51	51
Geetee Estates Limited	-	6	6	6
Sri Trivikrama Mines & Properties Limited	-	6	7	7
Dalmia DSP Limited	39	39	-	-
Sri Dhandhauthapani Mines & Minerals Limited	0	0	0	0
	760	**976**	**467**	**534**
(ii) Loan to step down subsidiaries				
Vinay Cement Limited	103	104	102	102
RCL Cements Limited	2	3	-	-
Cosmos Cement Limited	0	0	0	0
	106	**107**	**102**	**102**
(iii) Loan to fellow subsidiaries				
Dalmia Power Limited	3	6	6	486
Kanika Investment Limited	-	-	-	41
	3	**6**	**6**	**527**

Note: Investment in subsidiaries, associate and joint ventures are disclosed in note 6(i)(A).
The loanees have not made any investments in the shares of the Company.

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47. The Company has given loans and advances to various companies. Loans/ advances outstanding as at year end is given in below mentioned table along with purpose of the loan/ advances :

Rs.

Name of the Company	As at April 01, 2017	Loan/ advances given during year	Loan received back during year	Other adjustments	As at March 31, 2018	Loan/ advances given during year	Loan received back during year	As at March 31, 2019
(a) Loan given for business purposes								
- Loan to subsidiaries (refer note 46)	404	138	(138)	63	467	664	(371)	760
- Loan to step down subsidiaries (refer note 46)	74	11	(0)	17	102	5	(1)	106
- Loan to fellow subsidiaries (refer note 46)	492	16	(407)	(95)	6	-	(3)	3
- Loan to others	8	3	(1)	-	10	-	(7)	3
(b) Loan given for corporate purpose								
- Loan to others	-	38	-	-	38	49	(87)	-

Other adjustments include outstanding loan given to a subsidiary amounting to Rs.14 was converted into investment in equity shares during the previous year (refer note 6(i)(A)).

Particulars of guarantees given

Sl. No.	Name of the Company	Guarantee given during the financial year		Outstanding balance as at		Purpose
		2018-19 Rs.	2017-18 Rs.	March 31, 2019 Rs.	March 31, 2018 Rs.	
1	Calcom Cement India Limited	-	-	-	242	To secure the working capital loan availed from banks
2	Rajputana Properties Private Limited	-	652	-	652	Issuance of Performance Bank Guarantee by a bank for corporate purpose
3	Rajputana Properties Private Limited	-	-	12	-	Guarantee given to bank for issuance of bank guarantee by a bank for corporate purpose
4	OCL Global Limited	-	3	-	3	Guarantee given to bank to provide over draft facility

Particulars of investments made

Rs.

Sl. No.	Name of the Investee	Investments made during the financial year		Outstanding balance as at	
		2018-19	2017-18	March 31, 2019	March 31, 2018
1	Commercial papers/ Certificate of Deposits	627	-	139	-
2	Non-trade corporate bonds	582	288	464	218

The details of Investment of the Company are given in note 6(i).

* Outstanding loan given to a subsidiary amounting to Rs.14 has been converted into investment in equity shares during the previous year (refer note 6(i)(A)).

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48. Disclosure in respect of Corporate Social Responsibility expenditure:

Rs.

Particulars	March 31, 2019	March 31, 2018
Gross amount required to be spent during the year	4	10
Amount spent during the year:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	6	11

49. The Company has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw materials consumed, power& fuel and other expenses as under:

Rs.

Particulars	March 31, 2019	March 31, 2018
Cost of raw materials consumed	337	313
Power and fuel expense	26	75
Other expenses:		
Repairs and maintenance - Plant and machinery	74	87
Depot expenses	6	3
Miscellaneous expenses	5	3
	448	**481**

These expenses if reclassified on 'nature of expense' basis will be as follows :

Rs.

Particulars	March 31, 2019	March 31, 2018
Employee benefit expenses	33	29
Power and fuel expense	13	12
Other expenses:		
Consumption of stores and spare parts	153	155
Repairs and maintenance - Plant and machinery	62	75
Repairs and maintenance - Buildings	0	1
Repairs and maintenance - Others	9	6
Rent	4	7
Rates & taxes (including royalty on limestone)	213	185
Insurance	0	0
Professional charges	0	0
Advertisement and sales promotion	6	3
Miscellaneous expenses	22	16
Other operating revenue:		
Sundry sales / income	(67)	(8)
	448	**481**

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50. Segment information

Operating segment

The Managing Director & CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM monitors the operating results of its business sements 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 the Ind AS. However, the Company's finance costs and income taxes are managed on a Company basis and are not allocated to operating segments.

During the current year, Company has reviewed its segment information and decided to have below segments as per Ind AS 108, 'Operating Segments':

(a) Cement division which produces various grades of cement and its related products;
(b) Others include Refractory division, Investment division and Management Services.

No other operating segments have been aggregated to form the above reportable operating segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(Rs.)

Particulars	Cement		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue						
External revenue (including other operating revenue)	7,880	7,572	432	309	8,312	7,881
Inter segment revenue	8	8	9	4	17	12
	7,888	**7,580**	**441**	**313**	**8,329**	**7,893**
Less: Elimination	(8)	(8)	(9)	(4)	(17)	(12)
Total revenue	**7,880**	**7,572**	**432**	**309**	**8,312**	**7,881**
Results						
Segment results	284	692	25	(17)	309	675
Less: Finance costs					(494)	(650)
Add: Other unallocable income (net)					284	294
Profit before tax					**99**	**319**
Other disclosures						
Segment assets	14,681	15,477	754	341	15,435	15,818
Unallocable assets	-	-	-	-	2,742	3,365
Total assets					**18,177**	**19,183**
Total liabilities	1,754	1,705	85	67	1,839	1,772
Unallocable liabilities	-	-	-	-	7,174	8,280
Total liabilities					**9,013**	**10,052**
Capital expenditure	903	333	18	7	921	340
Depreciation and amortisation	1,218	1,139	8	9	1,226	1,148

Information about geographical areas

Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

Information about major customers

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.

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51. Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, associate and joint ventures are accounted at cost.

Name of the company	Country of Incorporation	% of ownership held as at	
		March 31, 2019	March 31, 2018
a) Subsidiaries			
Calcom Cement India Limited	India	76.00%	76.00%
D.I. Properties Limited	India	100.00%	100.00%
Alsthom Industries Limited	India	99.99%	99.99%
Chandrasekara Agro Farms Private Limited (w.e.f. January 20, 2018)	India	100.00%	100.00%
Ishita Properties Limited	India	100.00%	100.00%
Rajputana Properties Private Limited	India	100.00%	100.00%
Dalmia Minerals & Properties Limited	India	100.00%	100.00%
Sri Rangam Properties Limited	India	100.00%	100.00%
Sri Shanmugha Mines & Minerals Limited	India	100.00%	100.00%
Sri Trivikrama Mines & Properties Limited	India	100.00%	100.00%
Geetee Estates Limited	India	100.00%	100.00%
Sri Madhusudana Mines & Properties Limited	India	100.00%	100.00%
Hemshila Properties Limited	India	100.00%	100.00%
Sri Subramanya Mines & Minerals Limited	India	100.00%	100.00%
Bangaru Kamakshiamman Agro Farms Private Limited	India	100.00%	100.00%
Jayevijay Agro Farms Private Limited	India	100.00%	100.00%
Sri Swaminatha Mines & Minerals Limited	India	100.00%	100.00%
Sri Dhandauthapani Mines & Minerals Limited	India	100.00%	100.00%
Golden Hills Resort Private Limited	India	100.00%	100.00%
Dalmia DSP Limited (w.e.f. July 10, 2018)	India	100.00%	-
Hopco Industries Limited (w.e.f. December 21, 2018)	India	100.00%	-
OCL Global Limited	Mauritius	100.00%	100.00%
b) Associate			
Dalmia Renewables Energy Limited (till May 31, 2018)	India	-	49.00%
c) Joint Ventures			
Khappa Coal Company Private Limited	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited	India	14.70%	14.70%

52. The Government of Meghalaya had during the previous year, increased remission on VAT and CST upto 99% on total sales tax payable from October, 2006 retrospectively. Accordingly, in term of Ind AS 20, 'Accounting for Government Grants and Disclosure of Government Assistance', income on account of remission of Rs. 8 for the period April, 2010 to June, 2017 was credited to the statement of profit and loss during the previous year and included in 'Subsidies' under the head 'Revenue from operations' for Company's manufacturing facility at Lumshnong, Meghalaya.

53. As noticed by the Company during the year, certain mutual fund units ("Securities") appearing as current investments valued at Rs. 344 as on December 31, 2018 (carried as current investments as on March 31, 2019 at same value) have been fraudulently and unauthorisedly transferred by Allied Financial Services Private Limited ("Allied"), the Depository Participant from the demat account(s) of the Company. These Securities were earlier held by the erstwhile subsidiaries of the Company, OCL India Limited ("OCL") and Dalmia Cement East Limited ("DCEL") (transferred pursuant to a Scheme of Arrangement and Amalgamation approved by the Hon'ble National Company Law Tribunal, Chennai effective October 30, 2018 to the Company). Allied has without authorisation transferred the Securities in the demat account(s) of the Company to its own account(s), its directors and its associates and used the same for the purpose of margin with IL&FS Securities Services Limited ("ISSL"), the clearing agent of Allied for placing trade orders on Future & Options Segment of National Stock Exchange of India Limited. Such transfers were made through Depository Instruction Slips (DIS) which contained forged signatures of the authorised persons of OCL and DCEL. The Company has filed complaints with the Securities and Exchange Board of India ("SEBI") and the Economic Offences Wing, Delhi ("EOW") on February 8, 2019 and February 15, 2019 respectively against Allied and others for cheating and forgery. EOW vide its orders dated February 28, 2019, March 18, 2019 and March 29, 2019 directed ISSL and others not to sell, purchase, transfer, alienate, redeem / deal with the Securities. Similarly, in the complaint filed by NSE, SEBI vide its ad interim ex-parte order dated February 27, 2019, observed that Allied misappropriated the securities of its clients and consequently, directed Allied and other noticees mentioned in the order, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI / National Stock Exchange (NSE). The authorities are seized of the matter. The Board of Directors of the Company desired that an Independent firm of Accountants be appointed to carry out investigation (forensic) in relation to the said fraudulent transfer of Securities at the earliest. The Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required to be made in the books of accounts. The management of the Company has since taken the necessary remedial measures to strengthen the controls.

54. The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:-

Rs.

Particulars	March 31, 2019	March 31, 2018
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	3
- Raw materials & stores	1	1
- Others	2	2
	7	6
Capital expenditure shown under fixed assets schedule	-	-
	7	6

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S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

55. (i) The Company has performed annual impairment testing for carrying value of goodwill of Rs. 1,389 (March 31, 2018: Rs. 1,609) acquired pursuant to Scheme of Arrangement and Amalgamation. The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36. The management of the Company did not identify any impairment for goodwill amount (refer note 4A(a)).

(ii) During the current year, Company has acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of IBC and made an investment of Rs. 150 as fresh equity in KCL. KCL became the wholly owned subsidiary of the Company w.e.f. July 10, 2018 and has been renamed as Dalmia DSP Limited. The Company at the year end has advanced loan of Rs. 39 to said subsidiary.

Keeping in view of its nature of long term strategic investment and financial projections of said subsidiary, no impairment has been considered for carrying cost of investments and loans given to Dalmia DSP Limited (refer note 6(i)).

(iii) The Company reviews trade receivables, advances and subsidies receivables on regular intervals and takes necessary steps (including legal action wherever required) for the recovery these balances. The Company is confident to realise the value stated good in the financial statements. The Company follows the expected credit loss model in respect of any such situations as stated in note 1B(ii)(u), it believes that such amount is sufficient to cover for any possible loss.

56. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No.: 087921
Place : New Delhi
Date : May 9, 2019

S.R. BATLIBOI & CO. LLP * NEW DELHI *

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

per Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date : May 9, 2019

S.S. KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

(Mahendra Singhi)
Managing Director & CEO
DIN : 00243835

(Gautam Dalmia)
Director
DIN : 00009758

(Jayesh Doshi)
Chief Financial Officer

(Manisha Bansal)
Company Secretary
Membership No. A23818

Independent Auditors' Report

To the Members of Dalmia Cement (Bharat) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Dalmia Cement (Bharat) Limited** ("the Company" or "Holding Company") and its subsidiaries including step down subsidiaries (the Company and its subsidiaries including step down subsidiaries together referred to as "the Group") and its joint venture company, which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 the other auditors on separate financial statements of the subsidiaries including step down subsidiaries and its Joint venture company referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its joint venture Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

a. We draw attention to Note 3(e) to the accompanying consolidated financial statements for the year ended March 31, 2019 which describes that the Group had recognised goodwill arisen on giving impact of such Schemes from the appointed dates which is being amortised over a period of 4 to 10 years in accordance with the provisions of respective Schemes from the respective appointed dates, approved by the Hon'ble National Company Law Tribunal, Chennai Bench. As a result of above amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by Rs. 420 crores.

b. We draw attention to Note 51 to the accompanying consolidated financial statements, as noticed by the Company during the year ended March 31, 2019, the Company's depository participant fraudulently transferred the Company mutual funds aggregating to Rs. 344 crores (value as on December 31, 2018 and carried as current investments as on March 31, 2019 at same value) from the Company's demat account(s) to its own account, its directors and its associates for pledging the same with its clearing agent as collateral. The Company has filed complaints with the Securities and Exchange Board of India (SEBI) and the Economic Offences Wing, Delhi (EOW) against the depository participant and others for cheating and forgery and EOW directed the clearing agent not to sell, purchase, transfer, alienate, redeem / deal with the aforesaid mutual fund units. Further, SEBI vide its ad interim ex-parte order has directed the depository participant and other noticees, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI /National Stock Exchange(NSE). The Company has decided to appoint an independent firm of accountants to conduct investigation in the matter. The Company is fully confident of recovering its securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its securities returned, hence no provision is required to be made in the books of accounts.

c. We draw attention to Note 44 to the accompanying consolidated financial statements regarding the dispute between the minority shareholder and one of the subsidiary Company "Calcom Cement India Limited". 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 Honourable High Court of Guwahati in February 2017. Interim Order Issued by Honourable High Court of Guwahati in the said appeal has been vacated by the Honourable Supreme Court in May 2017 and the appeals are pending adjudication before Honourable 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 financial statement.

Our Opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditors, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified by us and the component auditors (as stated in respective audit reports) refer Annexure I attached herewith to this report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture company are responsible for assessing the ability of the Group and of its joint venture company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies including step down subsidiaries and joint venture company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and it's joint venture company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone/ consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. We did not audit the financial statements/financial information of twenty-five (25) subsidiaries/step down subsidiaries whose financial statements/financial information reflect total assets of Rs. 2,212 crore as at March 31, 2019; as well as the total revenue of Rs. 1,498 crore for the year ended March 31, 2019, total comprehensive income of Rs. 219 crore and net cash flow amounting to Rs. 22 crore for the year ended March 31, 2019, as considered in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit reports for the year ended March 31, 2019 have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these

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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 financial statements also include the Group's share of profit including other comprehensive income of Rs. 0 crore for the year ended March 31, 2019 in respect of a joint venture company, whose financial statements have been considered on the basis of the management certified accounts in these consolidated financial statement. Our report on the consolidated financial statements, to the extent it concerns this joint venture company, for the year ended March 31, 2019 is based solely on the management certified financial statements. This joint venture company is not considered material to the Group.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above maters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary referred to in the Other Matters paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated balance sheet, the consolidated statement of profit and loss including (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiaries and joint venture company incorporated in India, none of the directors of the Group and its joint venture company is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its joint venture Company incorporated in India. Our report expresses a modified opinion due to modified opinion in one of the material subsidiary on the adequacy and operating effectiveness of the internal financial control over financial reporting for reasons stated therein.

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;

i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its Joint venture company -Refer Note 34 to the consolidated financial statements;

ii. The Group and its joint venture Company 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 Company and its subsidiary companies including step down subsidiaries and a joint venture company incorporated in India.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm 's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 87294

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Place: New Delhi
Date: May 09, 2019

Annexure – 1 of the Auditors' Report on the consolidated financial statements for the year ended March 31, 2019 dated May 09, 2019

S. No.	Holding Company/Component	Key audit matters	How our audit addressed the key audit matters
1.	Holding Company)	**<u>Impairment Assessment of Carrying Value of Goodwill</u>** *(as described in note 3(e) of the consolidated financial statements)*	
		(a) The Company is carrying goodwill arisen on giving impact of scheme of arrangement and amalgamations relating to slump exchange of Undertakings of Odisha Cement Limited on going concern basis; and Amalgamation of Adwetha Cement Holdings Limited with the Company during the financial year ended March 31, 2018 (b) The Company is also carrying Goodwill arisen on Amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited. As per the scheme of Arrangement, excess of net assets taken over cost of investment in transferor companies aggregating to Rs. 21 crores has been recorded as Goodwill. As required under Ind AS 36 goodwill arising on such Schemes of Arrangement and Amalgamation is required to be tested for impairment on annual basis. The estimated recoverable amount of the goodwill is calculated as the higher of the value -in-use or fair value less costs to dispose, which involves significant estimates, assumptions and judgements on future growth rates, discount rates etc. Considering the significance of the matter and various judgement involved, we have identified this as a Key Audit Matter.	• For performing the impairment testing, the Company has used discounted cash flows method to determine the recoverable amount, these discounted cash, flow calculations use five-year projection those are based on annual forecasts and present trends. We have evaluated that the assumptions used by the management to determine whether they are in line with the present trend and information available. • We have assessed the valuation methodology used by the valuer and its professional competence and expertise. • We understood the internal controls for the goodwill impairment process including the determination of assumptions used within the models to assess the recoverable amount of goodwill. • We have assessed the disclosures included in Note 3(e) to the consolidated Ind AS financial statements.
2.	The Company and their subsidiary Company "Calcom	**Accumulation of MAT Credit Entitlement aggregating to Rs.266 Crores (refer note 16 of the consolidated financial statement)**	
		These Companies are carrying MAT credit	• We and respective statutory auditors of

S. No.	Holding Company/Component	Key audit matters	How our audit addressed the key audit matters
	Cement India Limited"("CCIL")	entitlement aggregating to Rs. 266 crores as at March 31, 2019. MAT credit entitlement has a limited period for utilization i.e. 15 years from the date such amount is available. Both the above-mentioned Companies ability to recognize these MAT credit assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the present Income Tax Laws and Regulations in force. The assumptions on these projections are determined by the management. Given the degree of judgment involved in making a forecast of the profitability of the Companies and the materiality of the amounts involved, we have determined this to be a key audit matter.	CCIL have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit. • We and respective statutory auditors of CCIL have assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. • We and respective statutory auditors of CCIL have assessed the likelihood of the companies to utilize the available MAT credit entitlement in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable profits. • We and respective statutory auditors of CCIL have evaluated the ageing of the carry forward MAT credit entitlement of the Company. • We and respective statutory auditors of CCIL have evaluated the disclosures included in Note 16 to the consolidated financial statements.
3.	The Company and their subsidiary Company "Calcom Cement India Limited"("CCIL")	**Trade receivables, subsidies receivable from Government agencies and advances to vendors** *(as described in note 45(b) to the consolidated Financial Statements)*	
		These companies have trade receivables, subsidies receivable from Government agencies and advances to vendors. These companies have taken necessary steps including legal action, wherever applicable, for the recovery of these balances. Based on past experience of realisation and steps taken by the companies, it is confident of recovery of these balances in due course. Considering the amount involved of such receivables, this matter has been considered	• We and respective statutory auditor of CCIL have evaluated the various correspondences made with the parties and other follow up actions taken by the companies, including but not limited to legal process, meetings, notices etc. • We and respective statutory auditor of CCIL have read and evaluated the legal advice / opinions obtained by the companies in respect of

S. No.	Holding Company/Component	Key audit matters	How our audit addressed the key audit matters
		significant for audit.	recoverability of amounts, wherever applicable. • We and respective statutory auditor of CCIL have evaluated the underlying documents against which these amounts are paid / accrued as per eligibility criteria. • We and respective statutory auditor of CCIL have obtained the representation from the management. • In respect of subsidies receivables, we have evaluated that the period of realisation considered by the companies is in line with the past trends.
4	Dalmia DSP Limited (formerly known as Kalyanpur Cement Limited)	**Accounting Treatment for the effect of the Resolution Plan** *(as described in note 34(f) to the consolidated Financial Statements)*	
		Refer Note 34(f) to the consolidated financial statements for the details regarding the resolution plan implemented in the Subsidiary Company Dalmia DSP Limited (formerly known as Kalyanpur Cement Limited) Pursuant to a Corporate Insolvency Resolution Process concluded during the year under insolvency and Bankruptcy code, 2016. Prior to approval of the Resolution Plan on dated January 22, 2018, the subsidiary company had outstanding credit facilities from several institution and had outstanding operational creditors. Owing to the size of over-due facilities, multiplicity of contractual arrangement and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of the Resolution Plan was a complex exercise. Further, comprehending the provision of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of derecognition of liabilities,	(a) We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the standalone/consolidated financial statements : • Reviewed management's process for review implementation of the Resolution Plan. • Reviewed the provisions of the Resolution plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the standalone/consolidated financial statement. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents the computation on a test check basis. • Verified the underlying documents supporting the receipt and payment of fund as per Resolution Plan.

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S. No.	Holding Company/Component	Key audit matters	How our audit addressed the key audit matters
		required significant judgement and estimates, including estimates, including consideration of the accounting principles to be applied for the presentation of difference between carrying amount of novated debt and consideration paid therefor. Accounting for the effect of the resolution plan is considered by us to be a matter of most significance due to its importance to intended user's understanding of the financial statements as a whole and materiality thereof.	• Tested the implementation of provisions of the Resolution Plan in computation of balance of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the standalone/consolidated financial statements in respect of the implementation of the resolution plan.

Annexure A to the Independent Auditors' Report to the members of Dalmia Cement (Bharat) Limited dated May 09, 2019 on its Consolidated Financial Statements

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

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of two step down subsidiaries incorporated outside India.

In conjunction with our audit of the consolidated financial statement of **Dalmia Cement (Bharat) Limited** as of and for the year ended March 31, 2019, we have audited the Internal Financial Controls over Financial Reporting of **Dalmia Cement (Bharat) Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/stepdown subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture company 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 Holding Company, its subsidiaries/step down subsidiaries and its joint venture company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries/step down subsidiaries and its joint venture 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 (ICAI). 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 companies 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint venture company's internal financial controls over financial reporting based on our audit.

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit and on the report of the joint auditors/ other auditors, the following material weakness has been identified in the operating effectiveness of the Company with reference to its standalone financial statements as at March 31, 2019.

Read with paragraph (b) of Emphasis of Matters of our Auditors' Report and note 51 to the consolidated financial statements, The Company's internal control system for existence and verification of investments in Mutual Fund Units maintained in Demat Accounts were not operating effectively during the current financial year to detect the lapses on timely basis, which could potentially result in material misstatement of carrying value of such investments.

Based on verification, subsequently and as represented by the Management of Company, necessary remedial measures have since been taken to strengthen the controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Group and its joint venture company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements as of March 31, 2019, based on the internal control over financial reporting criteria established by the Group & its joint venture 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control

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criteria, the Group's internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as of March 31, 2019.

Explanatory paragraph

We have also audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the consolidated financial statements of the Group & its joint venture company, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Group and its joint venture company and this report does not affect our report dated May 9, 2019, which expressed an unmodified opinion on those consolidated financial statements.

Other Matters

a. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to twenty three subsidiaries/step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

b. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one jointly controlled entity, which is company, incorporated in India, as the financial statements of this joint venture company is management certified. This joint venture company is not material to the Group.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

For S. S. Kothari Mehta & Company
Chartered Accountants
Firm 's Registration No. 000756N

NEW DELHI

Sunil Wahal
Partner
Membership No. 87294

Place: New Delhi
Date: May 09, 2019

Dalmia Cement (Bharat) Limited
Consolidated Balance Sheet as at March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

Rs.

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	9,014	9,050
Capital work-in-progress		502	183
Investment property	3 (a)	0	0
Goodwill and other intangible assets	3 (b)	4,613	5,037
Intangible assets under development	3 (c)	14	-
Biological assets other than bearer plants	3 (d)	0	0
Investments	4	78	64
Financial assets	5		
(i) Investments		0	0
(ii) Loans		13	10
(iii) Other financial assets		445	630
Income tax assets	6	38	31
Other non-current assets	7	374	123
		15,091	15,128
Current assets			
Inventories	8	1,032	779
Financial assets	9		
(i) Investments		986	2,152
(ii) Trade receivables		545	562
(iii) Cash and cash equivalents		268	312
(iv) Bank balance other than (iii) above		185	36
(v) Loans		10	60
(vi) Other financial assets		640	754
Income tax assets	10	0	13
Other current assets	11A	380	404
Assets held for sale	11B	1	0
		4,047	5,072
Total assets		19,138	20,200
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	314	234
Share capital suspense account	12B	-	6,200
Other equity	13	8,939	2,619
		9,253	9,053
Non controlling interest		11	(30)
Non-current liabilities			
Financial liabilities	14		
(i) Borrowings		4,014	5,456
(ii) Other financial liabilities		6	6
Provisions	15	150	81
Deferred tax liabilities (net)	16	1,279	1,344
Government grants	17	119	120
		5,568	7,007
Current liabilities			
Financial liabilities	18		
(i) Borrowings		908	1,048
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		6	6
- total outstanding dues of creditors other than micro enterprises and small enterprises		914	929
(iii) Other financial liabilities		1,674	1,612
Government grants	17	10	22
Other current liabilities	19	667	487
Provisions	20(a)	78	64
Current tax liabilities	20(b)	49	2
		4,306	4,170
Total liabilities		9,874	11,177
Total equity and liabilities		19,138	20,200
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 & Company
Firm Registration No. 000756N
Chartered Accountants

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: May 09, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Dalmia Cement (Bharat) Limited
Statement of Consolidated Profit and Loss for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

	Notes	For the year ended March 31, 2019	Rs. For the year ended March 31, 2018
Income			
Revenue from operations	21	9,454	8,801
Other income	22	215	249
Total income (I)		9,669	9,050
Expenses			
Cost of raw materials consumed	23	1,794	1,343
Purchase of stock in trade		138	166
Change in inventories of finished goods, work in progress and stock in trade	24	(147)	18
Excise duty on sale of goods		-	247
Employee benefits expenses	25	578	552
Finance cost	26	-	-
- Interest cost		514	634
- Other finance cost (Including foreign currency fluctuation)		47	90
Foreign currency fluctuation on borrowings etc. (net)		-	15
Depreciation and amortization expenses	2 & 3	1,292	1,209
Power and fuel		1,756	1,405
Freight charges			
- on finished goods		1,598	1,413
- on internal clinker transfer		231	200
Other expenses	27	1,611	1,428
Total expenses (II)		**9,412**	**8,720**
Profit before tax (I-II)		**257**	**330**
Tax expense	16		
Current tax		84	87
Deferred tax		(123)	17
Prior year tax charge / (written back)		2	(27)
Deferred tax for earlier years		8	1
Total tax expense		**(29)**	**78**
Profit/ (loss) after tax before share of profit in associates, joint venture and non controlling interest		286	252
Add: Share of profit in associates and joint venture		0	0
Profit after tax (A)		**286**	**252**
Attributable to:			
Equity holders of the parent		**245**	**253**
Non controlling interests		**41**	(1)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans		(15)	2
- Fair value gain on investments		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	16	5	(1)
B (i) Items that will be reclassified to profit or loss			
- Cumulative translation difference		1	3
Other comprehensive income for the year, net of tax (B)		**(9)**	**4**
Attributable to:			
Equity holders of the parent		**(9)**	**4**
Non controlling interests		**(0)**	0
Total comprehensive income for the year (A+B)		**277**	**256**
Attributable to:			
Equity holders of the parent		**236**	**257**
Non controlling interests		**41**	**(1)**
Earning per share	28		
Basic Earnings Per Share (In Rupees) [Nominal Value of Share Rupees 10 (Rupees 10) each]		7.79	8.04
Diluted Earnings Per Share (In Rupees) [Nominal Value of Share Rupees 10 (Rupees 10) each]		7.79	8.04
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 & Company
Firm Registration No. 000756N
Chartered Accountants

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: May 09, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Dalmia Cement (Bharat) Limited
Consolidated Statement of change in equity for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

a. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of Shares	Rs.
As at April 01, 2017	**23,42,51,187**	**234**
Issue of share capital	-	-
As at March 31, 2018	**23,42,51,187**	**234**
Issue of share capital*	7,97,94,080	80
As at March 31, 2019	**31,40,45,267**	**314**

*A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding Company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been sanctioned by the NCLT, Chennai Bench on May 1, 2018 and has become effective on October 30, 2018 with effect from the Appointed Date, i.e., January 1, 2015.

During the year, Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the aforesaid Scheme.

b. Share capital suspense account:

Share capital suspense (refer note 12B)	Rs.
As at April 01, 2017	**6200**
Chage during the year	-
As at March 31, 2018	**6200**
Issue of share capital	6200
As at March 31, 2019	-

c. Other equity: Rs.

Particulars	Reserve and Surplus						Other comprehensive income		
	Securities premium	Capital reserve	General reserve	Debenture redemption reserve	Retained earnings	Employee stock option outstanding	Currency translation reserve	Re-measurement of post employment benefit obligation	Total other equity
As at April 01, 2017	**443**	**2**	**1**	**378**	**1,548**	**8**	**(3)**	**(1)**	**2,376**
Profit/ (Loss) for the year					253				253
Other comprehensive income							3	1	4
Total comprehensive income	-	-	-	-	**253**	-	**3**	**1**	**257**
Add: Addition during the year	-	-	(0)	38	-	6			44
Less: released during the year	-	(0)	-	(131)		-			(131)
Add: Amount transferred from debenture redemption reserve					131				131
Less: Appropriations									
Transfer to debenture redemption reserve					(38)				(38)
Dividend paid					(20)				(20)
As at March 31, 2018	**443**	**2**	**1**	**285**	**1,874**	**14**	**0**	**0**	**2,619**
Profit/ (Loss) for the year					245				245
Other comprehensive income							1	(10)	(9)
Total comprehensive income	-	-	-	-	245	-	1	(10)	236
Add: Addition during the year	6,120	-	0	27		4	-		6,151
Less: released during the year	-	(0)	-	(62)			-		(62)
Add: Amount transferred from debenture redemption reserve					62				62
Less: Appropriations									-
Transfer to debenture redemption reserve					(27)				(27)
Transfer to general reserve					(0)				(0)
Dividend paid					(33)				(33)
Dividend distribution tax					(7)				(7)
As at March 31, 2019	**6,563**	**2**	**1**	**250**	**2,114**	**18**	**1**	**(10)**	**8,939**

For description of the purpose of reach reserve within equity, refer note 13 of consolidated financial statement

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: May 09, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Dalmia Cement (Bharat) Limited
Consolidated Cash Flow Statement for the year ended March 31, 2019
All amounts stated in Rs. are in Rs. Crores except wherever stated otherwise

	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rs.	
A. Cash flow from operating activities		
Net profit before tax	257	330
Adjustments		
Depreciation and amortisation	1,292	1,209
Impairment alloawance (net)	4	3
Bad debts/ advances written off	1	2
Expenses on employees stock options scheme	4	5
Dividend income	(2)	(4)
Interest expenses (including other borrowing costs and exchange fluctuation expenses)	561	739
Interest Income	(145)	(129)
Fair value gain on investments	108	(17)
(Profit)/Loss on sale of Investments (net)	(167)	(99)
Assets written off/Loss on sale of assets	3	4
Operating profit before working capital changes	**1,916**	**2,043**
Adjustments for working capital changes :		
Inventories	(253)	(127)
Trade payables, liabilities and provisions	194	120
Trade receivables, loans and advances and other current assets	375	(75)
Cash generated from operations	**2,232**	**1,961**
Income tax refund /(paid) (net)	21	(31)
Net cash from operating activities	**2,253**	**1,930**
B Cash flow from / (used in) investing activities		
Purchase of fixed assets including CWIP	(1,320)	(405)
Proceeds from sale of fixed assets	4	11
(Purchase)/ Sale of current investments (net)	1,225	(36)
(Purchase)/ sale of non current investments (net)	(14)	(0)
Proceeds from erstwhile shareholder of the subsidiary company	-	289
Fixed deposits (placed)/matured (having original maturity of more than three months)	(149)	(2)
Interest received	147	111
Dividend received from current investments	2	4
Net Cash (used in) investing activities	**(105)**	**(28)**
C Cash flow from / (used in) financing activities		
Proceeds / (repayment) from short term borrowings (net)	(140)	(512)
Proceeds / (repayment) from long term borrowings (net)	(1,431)	(403)
Finance cost	(581)	(790)
Dividend paid (Including dividend distribution tax)	(40)	(20)
Net cash (used in) financing activities	**(2,192)**	**(1,725)**
Net increase in cash and cash equivalents (A+B+C)	**(44)**	**177**
Cash and cash equivalents at the beginning of the period	312	135
Cash and cash equivalents at the end of the period	**268**	**312**

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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

Rs.

Note:
1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'.
2) Previous year figures have been regrouped/restated where ever considered necessary
3) Changes in liabilities arising from financing activities:

Rs.

Particulars	As at April 1, 2018	Cash flows	Fair value changes	Others	As at March 31, 2019
Non current borrowings	6,400	(1,436)	(4)	9	4,969
Current borrowings (Refer note 18(i))	1,048	(163)	-	23	908

Particulars	As at April 1, 2017	Cash flows	Fair value changes	Others	As at March 31, 2018
Non current borrowings	6,803	(393)	(10)	-	6,400
Current borrowings (Refer note 18(i))	1,560	(607)	-	95	1,048

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

S.S. KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 09, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

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

a. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of Shares	Rs.
As at April 01, 2017	23,42,51,187	234
Issue of share capital	-	-
As at March 31, 2018	23,42,51,187	234
Issue of share capital*	7,97,94,080	80
As at March 31, 2019	31,40,45,267	314

*A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding Company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been sanctioned by the NCLT, Chennai Bench on May 1, 2018 and has become effective on October 30, 2018 with effect from the Appointed Date, i.e., January 1, 2015.

During the year, Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the aforesaid Scheme.

b. Share capital suspense account:

Share capital suspense (refer note 12B)	Rs.
As at April 01, 2017	6200
Chage during the year	-
As at March 31, 2018	6200
Issue of share capital	6200
As at March 31, 2019	-

c. Other equity:

Rs.

Particulars	Reserve and Surplus						Other comprehensive income		
	Securities premium	Capital reserve	General reserve	Debenture redemption reserve	Retained earnings	Employee stock option outstanding	Currency translation reserve	Re-measurement of post employment benefit obligation	Total other equity
As at April 01, 2017	443	2	1	378	1,548	8	(3)	(1)	2,376
Profit/ (Loss) for the year					253				253
Other comprehensive income							3	1	4
Total comprehensive income	-	-	-	-	253	-	3	1	257
Add: Addition during the year	-	-	(0)	38	-	6			44
Less: released during the year	-	(0)	-	(131)		-			(131)
Add: Amount transferred from debenture redemption reserve					131				131
Less: Appropriations									
Transfer to debenture redemption reserve					(38)				(38)
Dividend paid					(20)				(20)
As at March 31, 2018	443	2	1	285	1,874	14	0	0	2,619
Profit/ (Loss) for the year					245				245
Other comprehensive income							1	(10)	(9)
Total comprehensive income	-	-	-	-	245	-	1	(10)	236
Add: Addition during the year	6,120	-	0	27		4	-		6,151
Less: released during the year	-	(0)	-	(62)			-		(62)
Add: Amount transferred from debenture redemption reserve					62				62
Less: Appropriations									-
Transfer to debenture redemption reserve					(27)				(27)
Transfer to general reserve					(0)				(0)
Dividend paid					(33)				(33)
Dividend distribution tax					(7)				(7)
As at March 31, 2019	6,563	2	1	250	2,114	18	1	(10)	8,939

For description of the purpose of reach reserve within equity, refer note 13 of consolidated financial statement

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: May 09, 2019

For and on behalf of the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Whole time Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief financial officer

Manisha Bansal
Company Secretary
Membership No. A23818

1. **Significant Accounting Policies**

A. **Corporate Information**

Dalmia Cement (Bharat) Limited ('DCBL' or 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India (erstwhile Companies Act, 1956). Its debt securities are listed on one stock exchange in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651. The Group is engaged in the business of manufacturing and selling of cement and its related products and refractory products.

Pursuant to various Schemes of Arrangement and Amalgamation becoming effective with effect from Appointed Date(s) January 1, 2015 and March 15, 2016 respectively after being sanctioned by Hon'ble National Company Law Tribunal(s), the Company in the previous year had accounted for:

(i) Transfer and vesting of Power Undertakings from DCB Power Ventures Limited with the Company by way of slump sale on going concern basis and amalgamation of Adwetha Cement Holdings Limited ('ACHL') into the Company on scheme becoming effective on November 17, 2017 after being approved by NCLT;

(ii) Amalgamation of Adhunik Cement Limited ('ACL') and Adhunik MSP Cement (Assam) Limited ('ACAL') with the Company on scheme becoming effective on May 16, 2018 after being approved by NCLT; and

(iii) Slump exchange of Undertakings of Odisha Cement Limited ('ODCL') to the Company on a going concern basis on scheme becoming effective on October 30, 2018 after being approved by NCLT.

The Consolidated financial statement relate to Dalmia Cement (Bharat) Limited (hereinafter referred as the "Company/ Parent") 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, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 09, 2019.

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, 2019. 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 and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquire.

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

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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 and 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 and 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 and loss are also recognised in profit and 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 from contracts includes revenue with customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

iii) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognised when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Amounts disclosed as revenue are inclusive of excise duty (upto June 30, 2017) and net of returns and allowances, trade discounts, cash discounts and volume rebates.

Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. The Company collects Goods and Service Tax ('GST') (w.e.f. July 1, 2017) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

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

Revenue from management services are recognised as and when services are rendered.

Interest Income

For all debt instruments/ subsidies 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/ subsidies 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 Group 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 "finance 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.

Export incentives

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Income arising from export incentives are included under 'Other operating revenue'.

Insurance Claim

Insurance claims and other claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

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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. Income Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

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). 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 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

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- 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 Group 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.

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

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	30 to 60 years
Certain DG sets and workshop appliances	5 years
Other plant and equipment	5 to 25 years
Plant and equipment related to Captive Power Plant	25 years
Mines related assets	4 to 8 years
Office equipment	
End user devices such as computers	3 Years
Servers and networks	6 years
Vehicles	
Motor cycles, scooters and other mopeds	10 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	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.

Accelerated depreciation on property, plant and equipment discarded during the year has been provided till the period these are discarded.

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 4 years.

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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.

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

Mining rights acquired in scheme of Amalgamation and Arrangement by the company has been transferred to its subsidiary DCBL 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.

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 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.

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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

The Group had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

Investment property 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.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

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 / distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Assets once classified as held for sale are not depreciated or amortised.

O. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised 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 (calculated using the effective interest rate method), hedge related cost incurred in connection with foreign currency borrowings and other costs that an entity incurred 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. Premium payable on early redemption of debt securities, in lieu of future finance costs, is 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.

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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.

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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.

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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.

Mines reclamation liability

The Group records a provision for mines reclamation cost until the closure of mine. Mines reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. 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 capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

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

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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

S.S. Kothari Mehta & Company, New Delhi, Chartered Accountants 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

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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

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

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

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

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

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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

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.

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.

C. Recent accounting pronouncements

(i) Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the last date of 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, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

A. Ind AS 116 Leases

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Group will be April 01, 2019.

The Group is in the process of making an assessment of the impact of Ind AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

B. Amendment to existing issued Ind AS

The MCA has also carried out amendments in following accounting standards. These are:

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i) Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.
ii) Ind AS 19 Employee Benefits
iii) Ind AS 23 Borrowing Costs
iv) Ind AS 28 Investments in Associates and Joint Ventures
v) Ind AS 109 Financial Instruments
vi) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Group's financial statements.

(i) New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

(a) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 did not have any significant impact on the financial statements of the Group.

(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

i) Ind AS 20 Indian Accounting Standard (Ind AS) 20 Accounting for Government Grants and Disclosure of Government Assistance:- Government grant related to non-monetary asset

ii) Ind AS 38 Intangible asset:- Intangible asset acquired free of charge

iii) Ind AS 40 Investment Property :-Transfers of Investment Property
iv) Ind AS 28 Investments in Associates:- Investments in Associates and Joint Ventures
v) Ind AS 12 Income taxes:- Recognition of Deferred Tax Assets for Unrealised Losses

The effect on adoption of above mentioned amendments were insignificant on the financial statements.

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

2. Property, plant and equipment

Rs.

	Land (free hold)	Land (lease hold)	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
Cost									
As at April 01, 2017	969	69	1,129	8,261	16	22	33	46	10,545
Addition during the year	48	-	43	225	2	1	7	1	327
Less: Disposals/ adjustments during the year	-	-	1	18	-	1	1	-	21
Less: Assets held for sale				1					1
Reclassification adjustments	-	-	(8)	7	1	-	-	-	-
Other adjustments/ exchange difference	-	1	2	7	-	-	-	-	10
As at March 31, 2018	**1,017**	**70**	**1,165**	**8,481**	**19**	**22**	**39**	**47**	**10,860**
Additions on acquisitions	31	-	46	182	0	0	4	3	266
Additions during the year	42	1	28	374	2	3	13	7	470
Less: Disposals/ adjustments during the year	0	-	0	130	0	1	0	0	131
Reclassification adjustments	-	11	-	-	-	-	-	-	11
Exchange difference	-	(0)	(0)	2	(0)	(0)	(0)		2
Other adjustments	-	-	-	(1)	(0)	0	0	-	(1)
As at March 31, 2019	**1,090**	**82**	**1,239**	**8,908**	**21**	**24**	**56**	**57**	**11,477**
Depreciation/ amortization									
As at April 01, 2017	9	6	123	996	4	6	12	17	1,173
Charge for the year	7	3	60	551	2	4	7	7	641
Less: on disposals	-	-	-	6	-	1	-	-	7
Less: Assets held for sale	-	-	-	0	-	-	-	-	0
Other adjustments/ exchange difference	-	-	1	2	-	-	-	-	3
As at March 31, 2018	**16**	**9**	**184**	**1,543**	**6**	**9**	**19**	**24**	**1,810**
Additions on acquisition	-	-	5	21	0	0	2	1	29
Charge for the year	8	3	63	658	3	3	8	5	751
Less: on disposals	-	-	0	127	0	1	0	-	128
Reclassification	-	-	-	-	(0)	(0)	(0)		(0)
Other adjustments/ exchange difference	-	2	-	(1)	(0)	0	0	-	1
As at March 31, 2019	**24**	**14**	**252**	**2,094**	**9**	**11**	**29**	**30**	**2,463**
Net Block									
As at March 31, 2019	**1,066**	**68**	**987**	**6,814**	**12**	**13**	**27**	**27**	**9,014**
As at March 31, 2018	**1,001**	**61**	**981**	**6,938**	**13**	**13**	**20**	**23**	**9,050**

Notes:

1. Registration of land amounting to Rs. 13 (March 31, 2018 : Rs. 16) is pending to be registered in the name of the group
2. The Group has pledged certain assets against borrowings which has been disclosed in note 14.
3. Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
4. In terms of Scheme of Arrangement and Amalgamation, the title deeds of certain portion of immovable properties of erstwhile Adhunik Cement Limited, erstwhile Adhunik MSP (Cement) Limited, Power Undertakings of erstwhile DCB Power Ventures Limited and Undertakings of Dalmia Cement Limited (formerly known as Odisha Cement Limited) (transfer through slump sale) are in the process of being transferred in the name of the Group.

5. Disposals from (i) Plant and equipment having gross block of Rs. 7 (March 31, 2018: Rs. 0) and accumulated depreciation of Rs. 6 (March 31, 2018: Rs. 0) and (ii) Vehicles having gross block of Rs. 0 (March 31, 2018: Rs. Nil) and accumulated depreciation of Rs. 0 (March 31, 2018: Rs. Nil) transferred to 'Assets held for sale'.
6. Adjustment in Leasehold land during the year represents mines reclamation cost transferred from Other Intangible assets.

2B. Capital work-in-progress (CWIP)

	As at March 31, 2019	As at March 31, 2018
		Rs.
Movement of capital work in progress		
Opening balance	183	136
Additions during the year	528	301
Capitalised during the year	(208)	(254)
Transfer to Intangible Assets under development	(1)	
Closing balance	**502**	**183**

(i). Capital work in progress mainly comprises plant and equipment under construction of Rs. 328 (March 31, 2018: Rs. 12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

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

3 (a). Investment property
3 (b). Goodwill & other intangible assets
3 (c). Intangible assets under development
3 (d). Biological Assets other than bearer plants

Rs.

Particulars	3 (a) Investment Property	3 (b) Goodwill & other intangible assets						3 (c) Intangible assets under development	3 (d) Biological Assets other than bearer plants
		Goodwill*	Computer software	Mining rights**	Raw materials procurement rights***	Brands****	Total		
Cost									
As at 1st April,2017	0	3595	12	1174	279	1973	7,033	-	0
Additions on amalgamation							0		
Addition during the year	0	0	2	0		0	2	-	0
Less: Disposals during the year	0	290	0	0		0	290		-
Other adjustments							-		
As at 31st March,2018	**0**	**3,305**	**14**	**1,174**	**279**	**1,973**	**6,745**	**-**	**0**
Additions on acquisitions		139					139		
Additions during the year	-	-	2	-		-	2	14	0
Less: Disposals during the year	-	-	-	-		-	0		-
Other adjustments			-	(11)		-	(11)		
Reclassification				-			-		-
As at 31st March, 2019	**0.33**	**3,444**	**16**	**1163**	**279**	**1973**	**6874**	**14**	**0**
Depreciation/ Amortization									
As at 1st April,2017	0	861	6	78	42	153	1140		-
Charge for the year	0	417	2	51	21	77	568		-
Less: on disposals	-	-	-	-		-	-		-
As at 31st March,2018	**0**	**1278**	**8**	**129**	**63**	**230**	**1708**	**-**	**-**
Charge for the year	0	420	3	49	9	76	557		-
Less: on disposals	0	-	-	-		-	0		-
Other adjustments				(3)			-3		
As at 31st March, 2019	**0**	**1698**	**11**	**175**	**72**	**306**	**2262**	**-**	**-**
Net Block									
As at 31st March, 2019	**0**	**1,746**	**5**	**988**	**207**	**1,667**	**4,613**	**14**	**0**
As at 31st March,2018	**0**	**2,028**	**5**	**1,045**	**216**	**1,743**	**5,037**	**-**	**0**

Investment Property
Group's investment properties consist of a freehold lands for capital appreciation. 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. Investment properties is either mortgaged or hypothecated against the secured borrowings of the Group as disclosed in note no. 14.

As at March 31, 2019 and March 31, 2018, the fair values of the property is Rs. 3 and Rs. 3 respectively. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer. The fair valuation of investment properties comprising lands are based on the benchmark value of land as fixed for different mouzas (village) by the authorities of respective State Governments.

***Goodwill acquired pursuant to Scheme of Arrangement and Amalgamation**
(i) Impairment testing of Goodwill

The carrying amount of Goodwill of Rs. 1,389 (March 31, 2018: Rs. 1,809) acquired pursuant to Scheme of Arrangement and Amalgamation has been allocated to Cement Cash Generating Unit (CGU) for impairment testing.

The Group performs annual impairment test for carrying value of goodwill. The Group considers the relationship between its market capitalisation based on other comparable companies and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36.

The recoverable amount of the Cement Business Unit (CGU) has been determined based on a value in use calculation using cash flow projections from financial projections approved by senior management of the Group, which are part of overall business plan covering a five-year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 16.94% and cash flows beyond the five-year period are extrapolated using a 4.00% growth rate which is consistent with the industry forecasts. As a result of the analysis, management did not identify any impairment for this CGU and accordingly, there is no impairment for goodwill amount.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Key assumptions used for value in use calculations
The calculation of value in use for the CGU is most sensitive to the following assumptions:

EBITDA margins
EBITDA margins are estimated based on the trend of actual EBITDA of cement segment for past 1 year preceding the beginning of the budget period.

Discount Rate
Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rates used to extrapolate cash flows beyond the forecast period
The Group has considered growth rate of 4% to extrapolate cash flows beyond the forecast period which is in line with the industry forecasts.

Sensitivity to changes in assumptions
The implications of the key assumptions for the recoverable amount are discussed below:
EV/EBITDA multiple - A decline in EV/EBITDA multiple below 9.45x would result in impairment of goodwill.
Growth rate assumptions – A reduction to 1.50% in the long-term growth rate would result in value in use being lower than carrying amount of the assets.
Discount rates - A rise in pre-tax discount rate to 18.58% would result in value in use being lower than the carrying amount of the assets.
EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA by 10% would result in value in use being lower than carrying amount of the assets.

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(ii) Amortisation of recognised Goodwill

The Group had accounted for (a) Amalgamation of Adwetha Cement Holdings Limited ('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 of Arrangement and Amalgamation approved by the NCLT, Chennai Bench effective on November 17, 2017 with effect from Appointed Date March 15, 2016; and (b) Slump sale of all the assets (including goodwill and/ or intangible assets) and liabilities forming part of transferred Undertakings of Odisha Cement Limited as at January 1, 2015 (Appointed Date) to the Group on a going concern basis in accordance with allocation report prepared in accordance with AS 10, notified under Section 133 of the Companies Act, 2013 and as per the provisions of Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench effective on October 30, 2018.

Goodwill arisen on amalgamation alongwith goodwill acquired on slump sale is being amortised over a period of 4 to 10 years from the appointed date, as per the provisions of respective Schemes. As a result of amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by Rs. 420^ (March 31, 2018 : Rs. 417).

^ including Rs. 8 on account of accelerated amortisation of a particular goodwill amount from earlier policy of amortising over a period of 5 years to 4 years during the year.

**** Mining rights comprise:**

(a) Pursuant to Scheme of Arrangement, Group had carried out fair valuation of mining rights of the mines at ACL (amalgamated with the Group from appointed date January 1, 2015). A sum of Rs. 194 has been assigned to these mining rights.

(b) Pursuant to Scheme of Arrangement and Amalgamation, mining rights of the mines forming part of transfer of Undertakings of ODCL to the Group by way of slump exchange from the appointed date January 1, 2015. A sum of Rs. 969 has been assigned to these mining rights.

***** Raw materials procurement rights:**

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of Raw materials procurement rights from ODCL 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.

****** Brands:**

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of Brands acquired from ODCL based on the fair valuation carried out by independent valuer, as at the appointed date January 1, 2015 at an aggregate value of Rs. 1,991.

3 (e): The Company has performed annual impairment testing for carrying value of goodwill of Rs. 1,389 (March 31, 2018: Rs. 1,809) acquired pursuant to Scheme of Arrangement and Amalgamation. The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36. The management of the Company did not identify any impairment for goodwill amount (refer note 3(b)).

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

	As at March 31, 2019		As at March 31, 2018	Rs.
4. Investments				
Equity shares				
In Joint venture (unquoted)-at cost				
38,35,000 (March 31, 2018: 38,35,000) Shares of Rs.10/- each fully paid up in Radhikapur (West) Coal Mining Pvt Ltd **(refer note 46)**	7		7	
1,836,500 (March 31, 2018: 1,836,500) Shares of Rs.10/- each fully paid up in Khappa Coal Company Private Ltd. **(refer note no 45)**	2		2	
Less: Impairment in the value of investment	5	4	5	4
Others (unquoted)- at cost				
36,000 (March 31, 2018: 36,000) Shares of Rs.10/- each fully paid up in G.S.Homes & Hotels Private Limited		1		1
Others (unquoted)-at fair value through OCI				
449 (March 31, 2018: 449) Equity Shares of Rs.10/- each fully paid up in SmarterHealth TechServe Private Limited		0		0
374 (March 31, 2018: 374) Equity Shares of Rs.10/- each fully paid up in Pumpcharge Internet Private Limited		0		0
449 (March 31, 2018: 449) Equity Shares of Rs.10/- each fully paid up in Exchange4Solar Private Limited		0		0
145 (March 31, 2018: 145) Equity Shares of Rs.10/- each fully paid up in Khetify Solutions Private Limited		0		0
Investment in debentures or bonds (unquoted)				
-at cost				
5,900 (March 31, 2018: 5,900) zero coupon optionally redeemable convertible debentures of Rs. 1,00,000/- each in Saroj Sunrise Private Ltd.*		59		59
-at fair value				
12 (March 31, 2018: 12) 8% non convertible secured debentures of Rs. 100/- each fully paid up in Indian Chamber of Commerce.		0		0
2 (March 31, 2018: 2) 8% non convertible secured debentures of Rs. 25/- each partly paid up in Indian Chamber of Commerce.		0		0
Investment in Preference Shares-at cost				
62,621 (March 31, 2018: Nil) Compulsorily convertible participative preference shares of Rs. 1100/- each in Freight Commerce Solutions Private Limited.		14		-
		78		**64**
Aggregate book value of unquoted investments		78		64
Aggregate amount diminution in value of unquoted investments		5		5

* The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise are in the nature of equity investment (refer note 44).

	As at March 31, 2019		As at March 31, 2018	
5. Financial assets				
(i) Investments				
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
		0		**0**
(ii) Loans				
(Considered good and unsecured unless otherwise stated)				
Loans and advances to:				
Employees@		10		9
Others		3		1
		13		**10**
@includes				
Due form officers of the Company		10		9
(iii) Other financial assets (Unsecured, considered good unless otherwise stated)				
Security deposit made		49		43
Subsidy/ Incentives receivable	336		511	
Less: Impairment allowance (allowance for doubtful advances)	0	336	0	511
Deposit with banks having remaining maturity of more than twelve months*		12		18
Advance against share application money	4		4	
Less: Impairment allowance (allowance for doubtful advances)	(4)	-	(4)	-
Finance lease receivable	0		1	
Less: Impairment allowance (allowance for doubtful advances)	(0)	-	(1)	-
Other financial assets		0		1
Derivative instruments at fair value through profit and loss				
Derivative instruments		48		57
		445		**630**

* Includes Rs. 12 (March 31, 2018 : Rs. 16), deposits receipts whereof have been kept with banks against bank guarantees given / are pledged with various authorities.

Break up of financial assets carried at amortised cost	As at March 31, 2019	As at March 31, 2018
Security Deposits	49	43
Employee loans	10	9
Other loans	3	1
Subsidy/ Incentives receivable	336	511
Deposit with banks having remaining maturity of more than twelve months	12	18
Other financial assets	0	1
	410	**583**

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

				Rs.
		As at March 31, 2019		As at March 31, 2018
Break up of financial assets carried at fair value through profit and loss				
Tax free bonds		0		0
Derivative instruments		48		57
		48		57
Break up of financial assets carried at fair value through OCI				
Investment in equity shares		0		0
		0		0
6. Income tax assets				
Advance Income Tax (net of provision for tax)		38		31
		38		31
7. Other non current assets				
(Considered good and unsecured unless otherwise stated)				
Capital advances				
Considered good (secured)*		89		0
Considered good		254		97
Considered doubtful	1		3	
Less: (Impairment allowance (allowance for doubtful advances)	1	-	3	-
Advances other than capital advances				
Other advances				
Considered good		7		9
Considered doubtful	2		1	
Less: (Impairment allowance (allowance for doubtful advances)	2	-	1	-
Deposit and balances with Government departments and other authorities				
Considered good		24		17
Considered doubtful	0		2	
Less: (Impairment allowance (allowance for doubtful advances)	0	-	2	-
		374		123

* Rs. 89 (March,2018: Rs.0) secured against bank guarantee held.

8. Inventories (at lower of cost or net realisable value)		
Raw Materials		
On hand	222	140
In transit	10	19
Packing materials		
On hand	27	34
In transit	0	1
Work in progress*	87	54
Finished goods#		
On hand	142	109
In transit	-	-
Stock in trade	92	-
Stores, spares etc		
On hand	432	380
In transit	20	42
	1,032	779

*Rs. 11 (March 2018: Nil) include in trial run for Dalmia DSP Limited (refer no 43)
#Rs. 1 (March 2018: Nil) include in trial run for Dalmia DSP Limited (refer no 43)
Inventories are hypothecated with the banks against rupee loan and foreign currency loan on pari passu on inter se basis. Refer note 18.

9. Financial Assets		
(i) Investments		
At amortised cost		
Commercial papers (unquoted)	139	-
At fair value through statement of profit and loss		
Units of debt based schemes of various mutual funds (quoted)	361	1,934
Non trade corporate bonds (quoted)	464	218
Alternative investment fund (unquoted)	22	-
	986	2,152
Aggregate book value of quoted investments	825	2,152
Aggregate market value of quoted investments	825	2,152
Aggregate book value of unquoted investments	161	-
(ii). Trade receivables		
Trade receivables	539	560
Receivables from other related parties	6	2
Total Trade receivables	545	562
Break-up for security details :		
Trade receivables		
Secured, Considered good*	239	266
Unsecured, Considered good	490	403
Considered doubtful	58	58
	787	727
Less: Impairment allowance (allowance for doubtful receivables)	58	58
Less: Provision for supply	9	5
Less: Provision for rebate / discount	175	102
	242	165
	545	562

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

		As at March 31, 2019		As at March 31, 2018

* Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.

No trade or other receivable are due from directors or other officers of the 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 netted off with bills discounted of Rs. 8 (March 31, 2018: Rs. 9).
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).
For information on financial risk management objectives and policies, refer note 39.

(iii). Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with scheduled banks :		
- On current accounts*	137	128
- On Cash credit	9	9
- On deposit accounts**	95	153
Cheques in hand	27	21
Cash on hand	0	1
	268	**312**

* Balances with current accounts include Rs. 0 (March 31, 2018: Rs. 0) lying in current account with a nationalised bank, to be operated jointly by the authorised signatories of one of the unit of the Company and OCL Iron and Steel Limited in respect of coal block operations.
** Includes Rs. 0 (March 31, 2018 : Rs. 26), deposit kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

(iv). Bank balance other than (iii) above

	As at March 31, 2019	As at March 31, 2018
Balances with banks :		
- Deposit accounts (with remaining maturity Less than 12 months)*	185	36
	185	**36**

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 ranging from 5.75% to 9.00%.
At 31 March 2019, the Group had available Rs. 587 (31 March 2018: Rs. 738) of undrawn committed borrowing facilities.
* Includes Rs. 33 (March 31, 2018: Rs. 8), 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:

	As at March 31, 2019	As at March 31, 2018
Cash on hand	0	1
Cheques in hand	27	21
Balances with scheduled banks :		
- On current accounts	137	128
- On Cash credit	9	9
- On deposit accounts	95	153
	268	**312**

(v) Loans (Unsecured, unless otherwise stated and considered good)

	As at March 31, 2019	As at March 31, 2018
Loan to		
- Employees@	7	7
- Related parties	-	6
- Others	3	47
	10	**60**
@includes due from officers of the Group	7	7

(vi) Other financial assets
(Unsecured considered good unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Subsidy/Incentive receivable	552	662
Interest receivable	41	42
Security Deposit	21	17
Other financial assets	12	9
Financial assets carried at fair value through statement of profit and loss		
Derivative instruments	14	24
	640	**754**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Trade receivables	545	562
Cash and cash equivalents (including margin money)	453	348
Loans to employees	7	7
Loans to related parties	-	6
Loans and advances to others	3	47
Subsidy/Incentive receivable	552	662
Interest receivable	41	42
Security deposit	21	17
Other financial assets	12	9
	1,634	**1,700**

Break up of financial assets carried at fair value through profit or loss

	As at March 31, 2019	As at March 31, 2018
Investment in mutual funds	361	1,934
Non trade corporate bonds (quoted)	464	218
Alternative investment fund (unquoted)	22	-
Derivative instruments	14	24
	861	**2,176**

10. Income tax assets

	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	0	13
	0	**13**

11A. Other current assets (Unsecured, unless otherwise stated and considered good)

		As at March 31, 2019		As at March 31, 2018
Advances other than capital advances				
Secured, considered good (refer note (a) below)		25		25
Unsecured, considered good		216		137
Doubtful	7		4	
Less: Impairment allowance (allowance for doubtful advances)	7	-	4	-
Prepayments		10		9
Deposit and balances with Government departments and other authorities		85		63
In Trust Account of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) (refer note (b) below)		-		166
Other receivables				
-Related party (refer note 36)		43		-
-Others		1		4
		360		**404**

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

	Rs. As at March 31, 2019	As at March 31, 2018

(a) Secured by way of a first ranking exclusive charge over the Hypothecated Property as prescribed in Deed of Hypothecation dated March 17, 2017.

(b) In terms of Scheme of Arrangement and Amalgamation amongst the Company, the Company's erstwhile holding company namely Dalmia Bharat Limited and Odisha Cement Limited and their respective shareholders and creditors approved by NCLT, Chennai effective October 30, 2018, Dalmia Bharat Limited had received certain income and incurred expenses on behalf of the Company for the period from January 1, 2015 till March 31, 2018, which aggregated to Rs.166 and was receivable from DBL as on March 31, 2018, which the Company has recovered during the current year. The same was included under 'Other Current Assets'.

11B. Asset held for sale

	As at March 31, 2019	As at March 31, 2018
Assets classified as held for sale	1	0
	1	0

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of Rs. 0 (March 31, 2018: Rs. 0) as impairment loss in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

12A. Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised :		
38,53,50,000 (March 31, 2017: 35,01,00,000) Equity Shares of Rs. 10/- each*	385	350
3,00,00,000 (March 31, 2017: 30,000,000) Preference Shares of Rs. 100/- each	300	300
723,000,000 (March 31, 2017: 723,000,000) Unclassified Shares of Rs. 10/- each	723	723
	1,408	**1,373**

*** Notes:**

(a) Pursuant to amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited with the Company being effective on May 16, 2018 in accordance with Scheme of Arrangement, the authorised equity share capital of the Company stands increased by Rs. 35.

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and fully paid up :		
314,045,267 (March 31, 2017: 234,251,187) Equity Shares of Rs. 10/- each **	314	234
	314	**234**

** A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding Company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been sanctioned by the NCLT, Chennai Bench on May 1, 2018 and has become effective on October 30, 2018 with effect from the Appointed Date, i.e., January 1, 2015.

During the year, the Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid up to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to aforesaid Scheme.

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2019		March 31, 2018	
	No. of shares	**Rs.**	**No. of shares**	**Rs.**
At the beginning of the year	23,42,51,187	234	23,42,51,187	234
Add : Issued during the year	7,97,94,080	80	-	-
At the end of the year	**31,40,45,267**	**314**	**23,42,51,187**	**234**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. In the event of dividend proposed by the Board of Directors, it shall be subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the Company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

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

	March 31, 2019		March 31, 2018	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Dalmia Bharat Limited (including its nominees) (formerly known as Odisha Cement Limited)	31,40,45,267	100%	23,42,51,187	100%

d. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the Balance Sheet date

	As at March 31, 2019	As at March 31, 2019
	No. of Shares	**No. of Shares**
Equity shares of Rs. 10 each alloted as fully paid up issued Dalmia Bharat Limited (formerly known as Odisha Cement Limited) pursuant to Scheme of Arrangement and Amalgamation .	7,97,94,080	-

12B. Share capital suspense

	As at March 31, 2019	As at March 31, 2018
Share capital suspense*	-	6,200
	-	6,200

*A Scheme of Arrangement and Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 amongst the Company, the Company's holding Company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited, has been sanctioned by the NCLT, Chennai Bench on May 1, 2018 and has become effective on October 30, 2018 with effect from the Appointed Date, i.e., January 1, 2015.

During the year, Company has alloted 79,794,080 equity shares of Rs.10/- each fully paid at a premium of Rs. 767/- per share to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the aforesaid Scheme. Accordingly, amount of Rs. 6,200 lying in Share Capital Suspense Account has been transferred to Equity share capital by Rs. 80 and to Securities premium by Rs. 6,120 during the year.

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

	As at March 31, 2019	Rs. As at March 31, 2018
13. Other equity		
Employee stock option		
Opening Balance as per last financial statements	14	8
Add: Addition during the year	4	6
Closing Balance	18	14
Capital reserve		
Opening balance as per last financial statements	2	2
Less: Capital subsidy	(0)	(0)
Closing balance	2	2
Securities premium		
Opening balance as per last financial statements	443	443
Add: Additions during the year	6,120	-
Closing balance	6,563	443
General reserve		
Opening balance as per last financial statements	1	1
Add: Transfer from surplus balance in statement of profit and loss	0	(0)
Closing balance	1	1
Debenture redemption reserve		
Opening balance as per last financial statements	285	378
Add: Created during the year	27	38
Less: released during the year	62	131
Closing balance	250	285
Retained earnings		
Balance as per last financial statements	1,874	1,548
Add: Amount transferred from debenture redemption reserve	62	131
Profit/ (loss) for the period	245	253
Less: Appropriations		
Transfer to Debenture Redemption Reserve	27	38
Transfer to General Reserve	0	-
Dividend on equity shares	33	20
Dividend Distribution Tax	7	-
Total appropriations	67	58
Net surplus in the statement of profit and loss	2,114	1,874
Items of other comprehensive income recognised directly in retained earnings		
Other comprehensive income		
Opening balance as per last financial statements	0	(4)
Currency Translation Reserve	1	3
Re-measurement of post employment benefit obligation, net of tax	(10)	1
	(9)	0
	2,105	1,874
Total other equity	8,939	2,619
Distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended on March 31, 2018 : Rupees: 1.044 per share (March 31, 2017 : Rupees 0.84 per share)	33	20
Dividend distribution tax	7	-
	40	20
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2019 : Rupees: 1.229 per share (March 31, 2018 : Rupees 1.044 per share)	39	33
Dividend distribution tax	8	7
	47	40

Description of nature and purpose of each reserve

(a) Employee stock option - 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.

(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 amount created during consolidation.

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

	As at March 31, 2019		As at March 31, 2018	Rs.
14. Financial liabilities				
(i). Borrowings				
Secured				
A. Redeemable non-convertible debentures	1,379		1,776	
Less: Shown in current maturities of long term borrowings	540	839	311	1,465
B.Term loans:				
i. From banks				
a. Foreign currency loan	573		476	
b. Indian rupee loan from banks	2,365		2,932	
Less: Shown in current maturities of long term borrowings	106	2,832	122	3,286
ii. From financial institution	7		164	
Less: Shown in current maturities of long term borrowings	2	5	35	129
iii. From others	276		424	
Less: Shown in current maturities of long term borrowings	25	251	85	339
C. Deferred payment liabilities	17		8	
Less: Shown in current maturities of long term borrowings	-	17	-	8
D. Finance lease obligation	1		1	
Less: Shown in current maturities of long term borrowings	0	1	0	1
Total secured long term borrowings		**3,945**		**5,228**
Unsecured				
E. Foreign currency loans from banks	346		614	
Less: Shown in current maturities of long term borrowings	277	69	386	228
F. Long term loans and deposits from a related party	5		5	
Less: Shown in current maturities of long term borrowings	5	-	5	-
Total unsecured long term borrowings		**69**		**228**
Total long term borrowings		**4,014**		**5,456**

1) **Debentures referred to in A above to the extent of:**

i) 9.91% Series A Rs. Nil (March 31, 2018 Rs. 208) were secured by pledge of investments & redeemable in January 2019. The debentures were fully redeemed during the year.

ii) 9.91% Series C Rs. 296 (March 31, 2018: Rs. 296) are redeemable in January 2021. The debentures were partially early redeemed during the year.

iii) 9.91% Series B Rs. 197 (March 31, 2018: Rs. 197) are redeemable in January 2020.

In respect of (ii) to (iii) above, the underlying security has been actually cancelled pursuant to Scheme of Arrangement and Amalgamation amongst the Company, the Company's holding company namely, Dalmia Bharat Limited and the step down subsidiary namely, Odisha Cement Limited approved by NCLT and become effective on October 30, 2018 with effect from Appointed Date, i.e., January 1, 2015. As provided under the debenture trust deed, the Company has requested the debenture holders to accept alternate security in replacement of the underlying security, for which consent has been granted by the debenture holders for the creation of such alternate security within a time period of 180 days.

The Board of Directors of the Dalmia Cement (Bharat) Limited in its meeting held on May 9, 2019 has given its approval for creation of alternate security by way of first pari-passu charge over fixed assets (movable and immovable) of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future) or charge on any other fixed assets of the Company to existing debenture holders for outstanding amount. Company has also requested for No Objection Certificate (NOC) from the existing chargeholders for ceding of first pari-passu charge over fixed assets (movable and immovable) of the mentioned cement units.

Dalmia Cement (Bharat) Limited expects to receive NOC for ceding of first pari-passu charge over fixed assets as well as creation of alternate security, before the expiry of above prescribed period.

iv) 10.75% Series 1A Rs. 34 (March 31, 2018: Rs.67) are secured by first pari-passu charge on land, building, assets, plant & equipments of Dalmiapuram unit and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018.

v) 10.75% Series III A, B,C and IV P,Q,R Rs. 70 (March 31, 2018: Rs. 140) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram unit and movable and immovable fixed assets (excluding plant and equipment charged on exclusive basis to specific lenders) of Kadappa and Ariyalur unit and redeemable in three yearly instalments commencing from August 2017.

vi) 8.65% Rs. 125 (March 31, 2018: Rs. 249) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Company and redeemable in October 2019 & October 2020.

vii) 8.70% Rs. 20 (March 31, 2018: Rs. 20) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Company and redeemable in October 2021. The amount of Rs.130.00 are early redeemed during the year in May 2018.

viii) 9.90% Rs. 599 (March 31,2018 Rs. 599) are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of OCL India Limited repayable in 3 equal yearly installments commencing from March 2020.

ix) Rs. 38 (March 31,2018 Rs. Nil) are secured by creating mortgage on land Chimur, Distt. Chandrapur, Maharashtra in favour of Debenture Trustees besides mortgage on all other immovable properties of Dalmia DSP limited (formerly known as Kalyanpur Cement Limited). Repayable in 5 yearly installments starting from July 10, 2019.

2) **Term Loans from Banks referred to in B (i) above to the extent of :**

i) Rs. 384 (March 31, 2018: Rs. 393) are secured by exclusive first charge on land and buildings and hypothecation of all the property, plant and equipments of cement units at Kadappa and Ariyalur excluding assets charged to working capital lenders and Vertical Roller Mills & other machineries and equipments for projects at Kadappa and Ariyalur acquired under foreign currency loan, at base rate plus 0.40% p.a. (present 8.95% p.a.). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) Rs. 464 (March 31, 2018: Rs. 467) are secured by first charge on property, plant and equipments (movable and immovable) of cement plant located at Belgaum, Karnataka both present & future (except specific assets financed by ECA)at 1 year MCLR plus 0.40% p.a. (present 8.95% p.a.). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) Rs. 345 (March 31, 2018: 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 except specific equipment exclusively charged to ECA lenders at 3 months MCLR plus 0.20% p.a. (present 8.80% p.a.). It is repayable in unequal quarterly instalments starting from March 2018 till March 2030.

iv) Rs. 289 (March 31, 2018: Rs. 291) carrying interest rate at 1 year MCLR plus 0.40 % p.a. (present at 8.95% p.a.) are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata 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. 192 (March 31, 2018: Rs. 194) carrying interest rate 6 months MCLR plus 0.45 % p.a (present at 8.85% p.a.) are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata 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. 423 (March 31, 2018: Rs. 438) carrying interest at 6 months EURIBOR plus 2.50% p.a. are secured first pari passu charge on movable & immovable property, plant and equipments of power assets at Dalmiapuram, Ariyalur and Belgaum (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. 31 (March 31, 2018: Rs. 37) carrying interest at LIBOR plus 2.05% p.a. (present 3.31% p.a.) are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum. 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. 129 (March 31, 2018: Rs. 163) carrying interest 1 year MCLR plus 0.30% p.a. 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 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.

ix) ix) Rs. 264 (March 31, 2018: Rs. 268) carrying interest at 6 months MCLR plus 0.45% p.a are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack), OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future). The loan is repayable in 48 structured quarterly instalments commencing from March 2019.

x) Rs.0 Cr (March 31,2018: Rs. 0 Cr) 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.

xi) Rs. 217 (March 31, 2018: Rs. 224) carrying interest at MCLR plus 0.25% p.a. are secured by first pari - passu charge on all movable and immovable fixed assets (both present and future) of the cement division situated at Jharkhand Cement Works, Bokaro. The loan is repayable in 56 unstructured quarterly instalments of commencing from November 2016.

xii) Rs. 119 (March 31, 2018: Rs. Nil) carrying interest rate at 6 months LIBOR plus 1.94% p.a. are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units situated at Rajgangpur Cement works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur), OCL Bengal Cement Works (Midnapore, Weat Bengal) (both present and future). The Loan is repayable in 8 half yearly instalment of USD 2,142,857.10 each starting from December 15, 2018 and one instalment on USD 2285714.80 on December 15, 2022.

xiii) Rs.45 (March 31,2018 : 47) 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 excluding land . Besides, the above loan is additionally secured by the corporate guarantee by the Company. Repayable in 108 structured monthly instalments starting from June, 2018.

ix) Rs. 36 (March 31 2017: Rs. 535) 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 entire 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 banks referred to in B (ii) above to the extent of :**

i) Rs. Nil (March 31, 2018: Rs. 139) 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 Works (Midnapore, West Bengal) of Company (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.The loan was fully paid during the year.

ii) Rs. 7 (March 31, 2018: Rs. 11) carrying interest at Axis bank 1 year MCLR plus 0.10% p.a are secured by First pari passu charge on entire property , plant and equipment (movable and immovable) except assets charged exclusively to banks/FIs for other specific purposes. First pari passu charge on all intangible assets. Second pari passu charge on all other assets of Calcom Cement India Limited 'CCIL' (a subsidiary of Company) . The loan has been availed in foreign currency and is repayable in 31 structured quarterly instalments starting from April 1, 2014 to Oct 01, 2021.

ii) Rs. Nil (March 31, 2018: Rs. 14) carrying interest at 8.5 % p.a are secured first pari passu charge on entire property , plant and equipment (immovable and movable assets), both present and future, having priority over existing charge holders. First pari passu charge on all intangible assets, both present and future, having priority over existing charge holders, but not limited to goodwill, trademark and patents and undertakings. Second pari-passu charge on the all other assets. Priority over existing lenders on the cash flows of the CCIL (a subsidiary of Company) towards repayments. Pledge of shares of the CCIL held by the promoters—Bawri Group (15.92% stake after entry of Dalmia Group). The loan has been availed in foreign currency and is repayable in 21 structured quarterly instalments starting from April 1, 2014 to Oct 01, 2021.

4) **Term loans from others referred to in B (iii) above to the extent of:**

i) Term loan in form of Government grant of Rs. 163 (March 31, 2018: 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 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. 40 (March 31, 2018: Rs. 34) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of cement units at Ariyalur and Dalmiapuram. 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. 72 (March 31, 2018 Rs. 77) 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% p.a.. The loan has been availed in foreign currency.

iv) 5.70% Rs. 1 (March 31, 2018: Rs. 1) redeemable preference shares at Rs. 20 per share (Including premium of Rs. 10 per share) in November 2020.

5) **Deferred payment liabilities referred to in C above to the extent of:**

i) Rs. 5 (March 31, 2018: Rs. 8) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant located at Karnataka from March 28, 2015 to December 31, 2016. This loan is secured by way of a bank guarantee issued by the Company and is repayable in 12 yearly equal instalments starting from March 17, 2030. 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.

ii) Rs. 2 (March 31, 2018: Rs. Nil) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant located at Karnataka for period January 2017 to June 2017 This loan is secured by way of a bank guarantee issued by the Company and Company and is repayable in 12 yearly equal instalments starting from March 17, 2031. 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 years grant.

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

iii) Rs. 7 (March 31, 2018: Rs. Nil) interest free excise loan from Govt. of India disbursed through IFCI Ltd at Banjari plant of Dalmia DSP Limited (Formerly known as Kalyanpur Cement Limited) located at Bihar. Loan is secured by a charge by way of mortgage/hypothecation of all the immovable and movable assets of Dalmia DSP limited (Formerly known as Kalyanpur Cement Limited). 50% of loan was payable immediate within 30 days from 10th July-2018 and balance & 5 yearly installments starting from 10th July-2019 which is delayed.

iv) Rs. 2 (March 31, 2018: Rs. Nil) from group company of earstwhilw promoters of Dalmia DSP Limited (formerly known as Kalyanpur Cements Limited).

6) Land lease obligation referred to in D above is repayable during lease period of 90 to 99 years. This is secured against leased assets and carry interest @ 10.00% p.a.

7) **Foreign currency loans referred to in E above to the extent of:**

i) Rs. Nil (March 31, 2018: Rs. 289) carried interest at EURINOR plus 2.50% p.a. and repayable in March 2019. The loan was fully paid during the year.

ii) Rs. Nil (March 31, 2018: Rs. 98) carried interest at LIBOR plus 2.50% p.a. The loan was fully paid during the year.

iii) Rs. 173 (March 31, 2018: Rs. 162) carrying interest at 3 months LIBOR plus 1.90% p.a. and is repayable at the end of 15 months from date of disbursement i.e. February 26, 2018.

iv) Rs. 69 (March 31, 2018: Rs. 65) carrying interest at 3 months LIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. February 15, 2018.

v) Rs. 104 (March 31, 2018: Rs. Nil) carrying interest at 3 months LIBOR plus 2.15% p.a. and is repayable at the end of 445 days from the date of disbursement i.e. July 2, 2018.

8) Loan from a Joint Venture Company referred to in G above is carrying interest rate of 9.00% p.a and is repayable in November 2019 with renewal option.

		Rs.
	As at March 31, 2019	**As at March 31, 2018**
(ii). Other financial liabilities		
Security deposit received	2	5
Derivative liabilities	-	1
Others	4	-
	6	**6**
Financial liabilities carried at amortised cost		
Borrowings	4,014	5,456
Security deposit received	2	5
Others	4	-
	4,020	**5,461**
Financial liabilities carried at fair value through statement of profit and loss		
Derivative liability	**-**	**1**

15. Provisions

Provision for Mines reclamation liability (refer note no, 41)	43	31
Provision for employee benefits	69	18
Provision for contingencies (refer note no, 41)	38	32
	150	**81**

16. Deferred Tax (net)

(i) The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of profit and loss:		
Current tax	84	87
Deferred tax/ (Credit)	(123)	17
Current tax for earlier years	2	(27)
Deferred tax for earlier years	8	1
Income tax expense reported in the statement of profit and loss	**(29)**	**78**
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	5	(1)
	5	**(1)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

Accounting Profit before tax	**257**	**330**
Applicable tax rate	34.94%	34.61%
Computed Tax Expense	**90**	**114**
Adjustments in respect of current income tax/ deferred tax of previous years	11	(27)
Tax effect of items that are not deductible for tax purpose	(1)	(1)
Tax losses recognised on allowance of expenditure relating to earlier years	(111)	(14)
Tax effect of allowances on expenditure during tax holiday period	21	(26)
Amortisation of goodwill in books considered as not deductible in provision for tax	18	16
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(45)	-
Realisation of brought forward long term capital loss not recognised in the books due to prudence	(11)	-
Tax effect of items that are not taxable for tax purpose	0	-
Change in deferred tax balances due to change in income tax rate	2	15
Others	(3)	1
	(29)	**78**

(iii) Deferred tax:

Deferred tax relates to the following:		
Property, plant and equipment (including goodwill and other intangible assets)	2,687	2,625
Others	1	5
Less:		
Provisions, trade payables and other current liabilities	53	38
Carry forward of tax losses/ unabsorbed depreciation	1,054	997
Others	36	15
MAT credit entitlement (after adjusting income tax provision for earlier years)*	266	236
Net deferred tax (asset)/liability	**1,279**	**1,344**

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

* net of amount recoverable from Dalmia Bharat Limited (formerly known as Odisha Cement Limited) of Rs. 43 (March 31, 2018: Rs. Nil)

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 management at the end of each reporting period, asseses Group's ability to recognise deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. The management based on the future profitability projections, is confident that there would be sufficient taxable profits in the future which will enable the company to utilise the above MAT credit entitlement, unabsorbed depreciation and carry forward business losses.

The amortisation of goodwill arising pursuant to Scheme of Arrangement and Amalgamation has been treated as deductible expenses under section 32 of the Income Tax Act, 1961 on the basis of Judicial pronouncements and legal opinion obtained by the Company.

	As at March 31, 2019	Rs. As at March 31, 2018
17. Government grant		
(i) Deferred capital investment subsidy(Refer sub note (a) below)		
Opening	77	80
Received during the year	(0)	1
Released to the statement of profit and loss	(2)	(4)
Adjustment on account of short approval of the subsidy claim	(6)	-
Closing	**69**	**77**
(ii) Deferred export promotion capital goods(Refer sub note (b) below)		
Opening	18	6
Accrual during the year	-	12
Released to the statement of profit and loss	(13)	-
Other adjustment	(4)	
Closing	**1**	**18**
(iii) Deferred government grant(Refer sub note (c) below)		
Opening	47	34
Accrual during the year	-	17
Released to the statement of profit and loss	17	(4)
Other adjustment	(5)	
Closing	**59**	**47**
Total (i)+(ii)+(iii)	**129**	**142**
Non current	119	120
Current	10	22

(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 of specified conditions, therefore deferred revenue will be released to statement of profit and loss when the exports are made by the Group.

(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.

	As at March 31, 2019	As at March 31, 2018
18. Financial liabilities		
(i). Borrowings		
Secured		
A. Cash credit from banks	51	8
B. Working capital loan from banks	-	0
C. Foreign currency loan from banks		
-Buyer's credit	276	445
-Supplier's credit	18	-
-Packing credit foreign currency	3	8
Total (A)	**348**	**461**
Unsecured		
D. From Others	16	192
E. Commercial Paper	544	395
Total (B)	**560**	**587**
Total short term borrowings (A+B)	**908**	**1,048**

A) Cash credit from Banks referred to in A above to the extent of:

Rs. 49 (March 31, 2018 Rs. 4) 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 8.50% p.a. to 10.35% p.a. (March 31, 2018: 9.60% p.a. to 11.00% p.a.).

Rs. 2 (March 2018 : Rs. 4) are primarily secured by hypothecation 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 0.15% above 1 year MCLR (presently: 8.55%) and is repayable on demand.

Rs. Nil (March 31, 2018: Rs. 0) were secured by way of first pari passu charge over all current assets of the unit situated at Jharkhand Cement Works, Bokaro and carrying interest @ 8.35% p.a.

B) **Working capital loan from banks referred to in B above to the extent of:**

Rs. Nil (March 31, 2018: Rs. 0) were secured by way of first pari passu charge over all current assets of unit situated at Jharkhand Cement Works, Bokaro and carrying interest @ 8.35% p.a.

C) Foreign Currency Loans from Banks referred to in C above to the extent of:

i) Rs. 276 (March 31, 2018 Rs. 326) are secured 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 3 months/6 months/12 months LIBOR plus 0.17% to 1.05% (presently 2.82% p.a. to 3.92% p.a.)(March 31, 2018 : 1.72% p.a. to 2.47% p.a.).

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

ii) Rs. Nil (March 31, 2018: Rs. 119) 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 was the range of 0.22% p.a. to 2.77% p.a.

iii) Rs. Nil (March 31, 2018: Rs. 8) were 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 situated at Rajgangpur, Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities were 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 carried the interest rate of 1.67% p.a. to 4.50% p.a.

iv) Rs. 3 (March 31, 2018: Rs. Nil) are secured by letter of credit issued by consortium bankers on the security of hypothecation of inventories and trade receivables of Dalmia Cement (Bharat) Limited in their favour ranking pari- pasu on inter se basis repayable in less than one year. These packing credit foreign currency loan carry the interest rate of 2.00% p.a. to 4.74% p.a.

v) Rs. 18 (March 31, 2018: Rs. Nil) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favour ranking pari- pasu on inter se basis repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.40% p.a. (presently 3.05% p.a.).

D) Loan from others referred to in D above are repayable on demand and carry interest @ 9% - 18% p.a. (March 31, 2018: 9% - 18% p.a.).

E) Commercial papers referred to in E above are payable in three months and carry interest rate in the range of 7.40% to 7.70% p.a. (March 31, 2018: 6.90% to 7.57% p.a.).

		Rs.
	As at March 31, 2019	As at March 31, 2018
(ii). Trade payables		
Total outstanding dues of micro and small enterprises(refer note 35)	6	6
Total outstanding dues of creditors other than micro and small enterprises*	914	929
	920	**935**
***Trade payable include due to related parties Rs. 52 (March 31, 2018: Rs. 21) (refer note 36)**		
(iii). Other financial liabilities		
Current maturities of long term borrowings	955	944
Interest accrued but not due on borrowings (including payable to related parties Rs.1 (32))	44	52
Interest accrued and due on borrowings	29	41
Security deposit received	403	485
Payables for purchase of property, plant and equipment	120	24
Directors' commission payable	1	1
Purchase consideration payable*	41	41
Derivative Liability	3	1
Accrued employee liabilities	26	18
Other liabilities	52	5
	1,674	**1,612**

Notes

*** Purchase consideration payable include:**

1. Rs. 0 (March 31, 2018: Rs. 0) towards consideration payable by the Company to Dalmia Bharat Limited (shareholders of erstwhile Adwetha Cement Holdings Limited ('ACHL')) pursuant to amalgamation of ACHL in the Company effective on November 17, 2017 as per the Scheme of Arrangement and Amalgamation.
2. As part of the purchase agreement with Calcom Cement India Limited, a contingent consideration of Rs. 30 (March 31, 2018: Rs. 30) has been agreed. Refer note 44 for terms and conditions.
3. Rs. 11 (March 31, 2018: Rs. 11) towards purchase consideration payable against earlier years.

Financial liabilities carried at amortised cost		
Trade payables	920	935
Borrowings	908	1,048
Current maturities of long term borrowings	955	944
Interest accrued but not due on borrowings (including payable to related parties Rs.1 (32))	44	52
Interest accrued and due on borrowings	29	41
Security deposit received	403	485
Payables for purchase of property, plant and equipment	120	24
Directors' commission payable	1	1
Purchase consideration payable	41	41
Accrued employee liabilities	26	18
Other liabilities	52	5
	3,499	**3,593**
Financial liabilities carried at fair value through statement of profit and loss		
Derivative Liability	3	1
	3	**1**
19. Other current liabilities		
Advances from customers	127	91
Liability towards dealer incentive *	83	51
Other liabilities		
- Statutory dues	421	290
- Others	36	55
	667	**487**

* Liability towards dealer incentive relates to the accrual and release of in-kind discount. As at March 31, 2019, the estimated liability towards in-kind discount amounts to Rs. 83 (March 31, 2018: Rs. 51).

20(a). Provisions		
Provision for employee benefits	43	32
Provision for mines reclamation liability (refer note no, 41)	3	-
Provision for export promotion capital goods (refer note no, 41)	31	28
Provision for contingencies (refer note no, 41)	1	4
	78	**64**
20(b). Current tax liabilities		
Provision for tax	49	2
	49	**2**

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

		For the year ended March 31, 2019		Rs. For the year ended March 31, 2018
21. Revenue from operations				
Sale of products (including excise duty)*				
Finished goods				
- Cement and its related products		8,581		7,666
- Refractories		555		404
- Power		14		13
Traded goods		24		173
		9,174		8,256
Sales Tax incentive/ VAT remission/ GST remission		218		451
Government grant		12		-
Other operating revenue		50		94
		9,454		8,801

* 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 Company 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.

a. Revenue from contracts with customers disaggregated based on nature of product or services

Revenue from sale of products (including excise duty)		
- Cement and its related products	8,581	7,666
- Refractories	555	404
- Power	14	13
Traded Sales	24	173
Other operating revenues		
Other operating revenue	50	94
	9,224	8,350

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Total revenue from contracts with customers	9,224	8,350
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	218	451
Government grant	12	-
Revenue from contracts with customer as per the statement of profit and loss	9,454	8,801

b. Contract balance

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Contract Assets		
Trade receivables	545	562
Contract liabilities	-	-
Advances from customers	127	91

22. Other income

Dividend income				
- from non-current investments		-		-
- from current investments		2		4
Interest Income		145		129
Unwinding of interest income on financial instruments		-		-
Profit on sale of investments	167		98.52	
Less: Loss on sale of investment	-	167	-	99
Fair value gain/(reversal) on current investment		(108)		17
Exchange difference (net)		9		0
		215		**249**

23. Cost of raw materials consumed

Opening stock	159	117
Add: Purchases*	1,867	1,385
Less: Closing stock	232	159
	1,794	**1,343**

* Net of reversal of earlier years provision of Rs. Nil (March 31, 2018: Rs. 18) related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulation) Amendment Act, 2015, on the basis of Hon'ble Supreme Court Judgement dated October 13, 2017.

24. Change in inventories of finished goods and work in progress

Finished goods				
- Closing stock		141		109
- Opening stock	109		129	
Less: Transferred to self consumption	1	108	1	128
		(33)		19
Work-in-process				
- Closing stock		76		54
- Opening stock		54		53
		(22)		(1)
Stock in trade				
- Closing stock		92		-
- Opening stock		-		-
		(92)		-

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(Increase) / Decrease	(147)	18

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	For the year ended March 31, 2019	Rs. For the year ended March 31, 2018
25. Employee benefits expense		
Salaries, wages and bonus	497	480
Expenses on employees stock options scheme	4	5
Gratuity expense	15	8
Contribution to provident fund and other funds	29	29
Workmen and staff welfare expenses	33	30
	578	**552**
26. Finance costs		
Interest		
- On term loans and debentures	448	503
- On short term borrowings	56	78
- On defined benefit obligation	3	2
- Others (including interest on income tax of Rs. 3 (March 31,2018: Rs. (-)1)*	7	51
Other borrowing cost	12	52
Exchange differences to the extent considered as an adjustment to borrowing cost	35	38
	561	**724**

* net of reversal of interest liability of Rs. 39 (March 31, 2018: Rs. 14) provided in earlier years. Interest expense of Rs. 10 (March 31, 2018: Rs. Nil) is capitalised during the year.

27. Other expenses		
Packing materials	362	321
Consumption of stores and spare parts	51	40
Repairs and maintenance :		
- Plant & machinery	209	207
- Buildings	15	14
Rent	49	39
Rates and taxes	11	18
Insurance	5	11
Depot expenses	125	108
Professional charges	82	65
Advertisement and publicity	220	176
Rebate and discounts	4	2
Excise duty variation on opening/closing inventories	-	(17)
Corporate Social responsibility expense	6	11
Miscellaneous expenses*	472	433
	1,611	**1,428**

* Also refer note 42 for remuneration of auditors.

28. Earning per share

Basic and Diluted EPS		
Net profit for calculation of basic EPS (Rs.)	**245**	**253**
Total number of equity shares outstanding at the end of the year	23,42,51,187	23,42,51,187
Weighted average number of equity shares in share capital suspense		7,97,94,080
Equity shares alloted during the year pursuant to Scheme of Arrangement and Amalgamation	7,97,94,080	
Weighted average number of equity shares in calculating Basic and Diluted EPS	31,40,45,267	31,40,45,267
Basic and Diluted EPS (Rupees)	7.79	8.04

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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.

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.

Change in estimate

Deferred tax credit for the current year includes Rs. 45 on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

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, 38 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, 2019 is Rs. 46 (March 31, 2018: Rs. 31).
The Group estimates that the costs would be incurred in 1 years- 48 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%.

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, 2019, the estimated liability towards non-cash incentive amounted to Rs. 83 (March 31, 2018: Rs. 70). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

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.

Change in estimate

During the year, Company has reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the year is lower by Rs. 2.

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 impairment loss of Rs. Nil (Rs. 0) recognised for the year ended March 31, 2019 and March 31, 2018.

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Subsidies receivable

The Group is entitled to various subsidies from Government in the form of government grant and recognize amount receivable and it is reasonably certain that the ultimate collection will be made 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 with an insurance company in the form of a qualifying insurance policy, except in case of employees of some of the units of Company. 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.

Provident Fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust, except in case of certain employees of the Company and all employees of some of the units of Subsidiaries Company, refer note 51(i). As per the applicable accounting standard, 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 actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and a provision has been recognized in respect of future anticipated shortfall with regard to interest rate obligation as at the balance sheet date..

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.

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Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (Rs.)

Particulars	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	2018-19	2017-18	2018-19	2017-18
Current service cost	15	8	11	7
Net Interest cost	3	1	1	1
Net benefit expense*	**18**	**9**	**12**	**8**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019 **(Rs.)**

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation	Fair value of plan assets	Net obligation	Defined benefit obligation	Fair value of plan assets	Net obligation
	(A)	(B)	(A-B)	(A)	(B)	(A-B)
April 1, 2018 (1)	61	38	23	105	103	2
Service cost (2)	15	-	15	11	-	11
Net interest expense/ (income) (3)	4	1	3	13	9	4
Sub-total included in profit* or loss (note 26) (2+3)=(4)	19	1	18	24	9	15
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	2	(2)	-	3	(3)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	7	-	7	-	-	-
Experience (gains)/losses (7)	10	-	10	0	-	-
Sub-total included in OCI (5+6+6A+7)=(8)**	**17**	**2**	**15**	**-**	**3**	**(3)**
Contributions by employer (9)	-	-	-	-	11	(11)
Contribution by plan participation/ employees (10)	-	-	-	23	23	-
Acquisition adjustments (10A)***	17	-	17			
Settlements/ (Transfer in) (11)	-	-	-	6	6	-
Benefits paid (12)	(5)	(4)	(1)	(5)	(5)	-
Sub-total (9+10+10A+11+12)=(13)	**12**	**(4)**	**16**	**24**	**35**	**(11)**
March 31, 2019 (1+4+8+13)	**109**	**37**	**72**	**153**	**150**	**3**

*Includes Rs. 2 recognised in capital work in progress.

** Includes Rs. 0 recognised in capital work in progress.

*** Related to Dalmia DSP Limited acquired on 10th July 2018.

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Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018 (Rs.)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation	Fair value of plan assets	Net obligation	Defined benefit obligation	Fair value of plan assets	Net obligation
	(A)	(B)	(A-B)	(A)	(B)	(A-B)
April 1, 2017 (1)	56	37	19	64	63	1
Service cost (2)	8	-	8	7	-	7
Net interest expense/ (income) (3)	4	3	1	7	5	2
Sub-total included in profit or loss (note 26) (2+3)=(4)	12	3	9	14	5	9
Re-measurements						
Acquisition adjustments(4A)	-		-			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0	-	-	2	(2)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	(1)	-	(1)	-	-	-
Experience (gains)/losses (7)	(2)	-	(2)	1	-	1
Sub-total included in OCI (4A+5+6+6A+7)=(8)	**(3)**	**-**	**(3)**	**1**	**2**	**(1)**
Contributions by employer (9)	-	2	(2)	-	8	(8)
Contribution by plan participation/ employees (10)	-	-	-	11	11	-
Settlements/ (Transfer in) (11)	-	-	-	22	21	1
Benefits paid (12)	(4)	(4)	-	(7)	(7)	-
Sub-total (9+10+11+12)=(13)	**(4)**	**(2)**	**(2)**	**26**	**33**	**(7)**
March 31, 2018 (1+4+8+13)	**61**	**38**	**23**	**105**	**103**	**2**

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:-

Rs.

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted investments:				
Insurance Company Products	37	38	-	-
Government securities / Equity shares/ Corporate bonds/Special Deposit schemes as defined under Specified rules	-	-	150	103
Total	**37**	**38**	**150**	**103**

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

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	%	%	%	%
Discount rate	7.25%	7.90%	7.25%	7.60%
Future salary increases	6%-7%	6%-7%	-	-
Guaranteed interest rate	-	-	8.65%	8.55%
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, 2019 and March 31, 2018 is as shown below:

Gratuity Plan:

Assumption	**Discount rate**				**Future salary increases**			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	5	6	(5)	(5)	(4)	(5)	4	6
Impact on defined benefit obligation (Change in %)	4%	9%	-4%	-8%	-4%	-8%	4%	9%

PF:

Assumption	**Discount rate**				**Interest rate guarantee**			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	5	3	(2)	(1)	(3)	(1)	5	6
Impact on defined benefit obligation (Change in %)	3%	3%	-1%	-1%	-2%	-1%	3%	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.

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The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity (Funded)		PF (Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months (next annual reporting period)	43	9	72	39
Between 2 and 5 years	46	25	40	22
Between 5 and 10 years	33	30	38	42
Beyond 10 years	33	65	0	78
Total expected payments	**155**	**130**	**150**	**181**

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 5-13 years (March 31, 2018: 4-14 years) and for PF at the end of the reporting period is 2-6 years (March 31, 2018: 4-9 years).

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 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 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 Company has not changed the processes used to manage its risks from previous periods.

31. Share – based payments

Under the DBL ESOP Scheme 2018, share options of the holding company i.e. Dalmia Bharat Limited (formerly known as Odisha Cement Limited) are granted to senior executives of the Company ('DCBL') 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 holding company achieve targeted share price and on achievement of individual performance by eligible 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.

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

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2019 Rs.	March 31, 2018 Rs.
Expense arising from equity-settled share-based payment transactions	4	6
Total expense arising from share-based payment transactions	**4**	**6**

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, 2019 Number	**March 31, 2019** WAEP (In Rupees)	**March 31, 2018** Number	**March 31, 2018** WAEP (In Rupees)
Outstanding at the beginning of the year	4,50,000	350.27	5,39,500	175.24
Cancelled pursuant to Scheme of Arrangement and Amalgamation *	(4,50,000)	350.27	-	-
Granted during the year pursuant to DBL ESOP Scheme 2018	9,00,000	175.14	-	-
Exercised during the year	(1,68,000)[1]	168.01	(89,500)[2]	289.17
Expired/ Lapsed during the year	-	-	-	-
Outstanding at the end of the year	7,32,000	176.77	4,50,000	350.27
Exercisable at the end of the year	-	-	-	-

[1] The weighted average share price at the date of exercise of these options is Rupees 1214.40.
[2] The weighted average share price at the date of exercise of these options is Rupees 2796.36.
The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 is 4.88 years (March 31, 2018: 5.50 years).

The range of exercise prices for options outstanding at the end of the year is Rs. 108.62/- to Rs. 191.77/- (March 31, 2018: Rs. 217.23/- to Rs. 383.53/-).

* Dalmia Bharat Limited ('DBL') (formerly known as Odisha Cement Limited) had adopted a new ESOP Scheme namely DBL ESOP Scheme 2018 pursuant to the Scheme of Arrangement and Amalgamation amongst the Company, the Company's erstwhile holding company namely erstwhile Dalmia Bharat Limited and Odisha Cement Limited and their respective shareholders and creditors approved by NCLT, Chennai effective October 30, 2018. As per the said new ESOP Scheme, DBL granted 2 (Two) new stock options ('New Options') to the eligible employees of Company in lieu of every 1 (one) stock option held by them under DBEL ESOP Scheme 2011 (whether vested or unvested).

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

The following table list the inputs to the models used for the plan for the year ended March 31, 2019 and March 31, 2018:-

	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**)	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 of between one to five years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the group by entering into these leases.

(Rs.)

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year	49	39
Total	**49**	**39**

Future minimum rentals payable under non-cancellable operating leases as at March 31 are as follows:-

(Rs.)

Future minimum lease payments	As at March 31, 2019	As at March 31, 2018
Not later than one year	3	2
Later than one year and not later than five years	5	5
Later than five years	0	1
Total	**8**	**8**

B. Finance lease -Group as lessor

The Company had purchased wagons under "own your wagon scheme" of Railways and leased it to Railways on rent, the wagons were recognised as assets and carried in the books at written down value, the Company is earning rental income from the arrangement, hence it qualifies to be recognised as finance lease arrangement where Railways is the lessee.

Future minimum lease receivables (MLR) and its present value under finance leases are as follows:

(Rs.)

	March 31, 2019		March 31, 2018	
	Minimum lease receivables	Present value of MLP	Minimum lease receivables	Present value of MLP
Within one year	0	0	0	0
After one year but not More than five years	0	0	0	0

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

More than five years	0	0	0	0
Unguaranteed residual values	1	1	1	1
Total minimum lease payments	**1**	**1**	**1**	**1**
Less: amounts representing Finance charges	-	-	-	-
Present value of minimum lease payments	**1**	**1**	**1**	**1**

C. Finance lease- Group as lessee

The Company has finance lease arrangements for land at various locations. These leases have term of between 90 and 99 years and are eligible for renewal at the end of lease term. Future minimum lease payments (MLP) and its present value under finance leases are as follows -

(Rs.)

	March 31, 2019		March 31, 2018	
	Minimum lease payments	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
More than five years	7	0	7	0
Total minimum lease payments	**7**	**0**	**7**	**0**
Less: amount representing interest	(7)	-	(7)	-
Present value of minimum lease payments	**0**	**0**	**0**	**0**

33. Capital and Other commitments

(Rs.)

	Particulars	**March 31, 2019**	**March 31, 2018**
A)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	In respect of Parent	597	172
	In respect of Subsidiaries	17	12
B)	**Other Commitments**		
a)	Commitment towards forestry department as per the Forest (Conservation) Act , 1980		
	In respect of Parent	-	-
	In respect of Subsidiaries	32	32
b)	Commitment for revival/ acquisition of Dalmia DSP Limited (Formerly known as Kalyanpur Cements Limited) to the Resolution Professional		

	Particulars	March 31, 2019	March 31, 2018
	pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 (net of payments of Rs. 43)		
	In respect of Parent	-	310
	In respect of Subsidiaries	-	-
c)	Corporate guarantee given by 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	-	652
	In respect of Subsidiaries	-	-
d)	Corporate guarantee given by the Company to a bank for issuance of bank guarantee on behalf of subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease		
	In respect of Parent	12	-
	In respect of Subsidiaries	-	-
e)	Estimated future investments in Alternative Investment Fund in terms of agreement with the fund.		
	In respect of Parent	4	-
	In respect of Subsidiaries	-	-
f)	Other commitments towards contractual and other payments, which does not have any bearing on the results.		
	In respect of Parent	31	31
	In respect of Subsidiaries	-	-

C) The Company, during the previous year, had filed Resolution Plan (RP) pursuant to the provisions of IBC to the Resolution Professional appointed for revival of Murli Industries Limited (MIL) which is recommended by the Committee of Creditors to the National Company Law Tribunal, Mumbai Bench for its approval. Following receipt of requisite approvals, RP provides for payment of Rs. 402 to MIL creditors by the Company. Further, Company has given a bank guarantee of Rs. 50 as per RP. The matter is currently in the NCLT, Mumbai Bench.

34. Contingent liabilities / litigations in respect of :

(A) Not provided for:

Parent Company

(Rs.)

S. No.	**Particulars**	**March 31, 2019**	**March 31, 2018**
i)	Claims against the Company not acknowledged as debts	287	204
ii)	Demand raised by following authorities in dispute:		
	Excise & Service Tax	53	66
	Customs	38	1
	Sales Tax / Entry Tax / Purchase Tax	108	109
	Income tax matters	42	73
	Total	**529**	**453**

Subsidiaries

(Rs.)

S. No.	**Particulars**	**March 31, 2019**	**March 31, 2018**
i)	Claims against the Company not acknowledged as debts	6	7
ii)	Demand raised by following authorities in dispute:		
	Excise & Service Tax	14	15
	Customs	-	-

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Sales Tax / Entry Tax / Purchase Tax	2	4
Income tax matters	-	-
Other monies for which Company is contingently liable	2	2
Total	**24**	**28**

(B) (i) Income tax department had carried out search operation in the office premises of erstwhile Adhunik Cement Limited (now a unit of the Company) on March 11, 2016 (concluded on May 03, 2016), consequent to which assessment orders under Section 153(A)/143(3) of the Income Tax Act, 1961 have been passed on December 30, 2018 from AY 2011-12 to 2017-18 and there is no additional income tax liability. However, unabsorbed depreciation has been reduced on account of addition of Rs. 42 made in AY 2011-12 and against the same, an appeal has filed before appellate authority.

(ii) The income tax department had carried out search operation in the office premises of the Calcom Cement India Limited (a subsidiary) on March 11, 2016. Consequently, It had received notice under section 153A of the income tax act, 1961 to file returns –for the assessment years from AY 2010-11 to 2017-18 under block assessment which were duly filed. The final assessment orders under section 153(A) and 143(3) of the income tax act,1961 have been passed on December 31, 2018 for eight assessment years (i.e., from AY 2010-11 to 2017-18) by the income tax department and there is no additional income tax liability. However, the income tax department had reduced the amount of brought forward losses by disallowing /making additions of Rs 10. CCIL has filed appeals before CIT(A)-1, Guwhati against the AY 2010-11 and AY 17-18 involving amount Rs. 8.

Further, the Group has not adjusted the above amount while computing income tax/deferred tax liability since the Group has been legally opined that above addition may not be tenable.

(C) The Company ("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/ 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 subsidiary 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 the 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 CCIL.

BG has filed appeal against the order of NCLT, before the Hon`ble High Court Guwahati. Interim order issued by Guwahati High Court in the said appeal has been vacated by Hon`ble Supreme Court in May 2017 and the appeals are pending adjudication before the Hon`ble High Court. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements of the CCIL.

(D) The Company 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.

(E) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability

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(F) The Company had acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC"). DCBL have invested Rs.150 Crore as fresh equity in KCL. KCL had become the wholly owned subsidiary of the Company w.e.f. 10th July 2018 and has been renamed as Dalmia DSP Limited ("DDSPL"). Accounting to give effect of Approved resolution plan is considered by Dalmia DSP Limited and Consolidated financial statements include the financial results for Dalmia DSP Limited w.e.f. July 10, 2018.

DDSPL, under the new Management, has paid/settled dues to secured financial creditors, unsecured financial creditors, employees and workmen, statutory authorities and operational Creditors as per the approved Resolution Plan. As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) period prior to the Effective Date stand extinguished. The implementation of the Resolution Plan does not have any effect over claims or receivables owed to the DDSPL.

35. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006 :-

(Rs.)

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	7	6
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 Enterprises Development Act, 2006.	-	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

36. **Related Party transactions**

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

i. **Holding Company**
Dalmia Bharat Limited (formerly known as Odisha Cement Limited).

ii. **Fellow subsidiary**
Dalmia Power Limited.

Related parties with whom transactions have taken place during the year:

i) **Key Management Personnel/ Director of the Company and their relatives**
Shri Jai Hari Dalmia- Non-Executive Director (upto October 30, 2018)*, Shri Yadu Hari Dalmia- Non-Executive Director (upto October 30, 2018), Shri Gautam Dalmia * - Non-Executive Director (w.e.f. October 30, 2018), Shri Puneet Yadu Dalmia – Managing Director (upto October 30, 2018), Shri Mahendra Singhi ** - Managing Director & CEO (w.e.f. October 30, 2018), Mr. G.N. Bajpai – Independent Director, Mr. N. Gopalaswamy - Independent Director, Mrs. Sudha Pillai - Independent Director, Mr. Paul Heinz Hugentobler - Independent Director, Mr. Jayesh Doshi - Chief Financial Officer, Mrs. Manisha Bansal - Company Secretary and Mrs. Avantika Dalmia-wife of Shri Puneet Yadu Dalmia.

* Managing Director (upto October 30, 2018)
** Whole Time Director (upto October 30, 2018)

ii) **Enterprises controlled by the Key Management Personnel of the Company**
Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Kanika Investment Limited (w.e.f. September 18, 2017) and Dalmia Bharat Foundation

S.S. Kothari Mehta & Company Chartered Accountants New Delhi

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

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

Rs.

Name of the Related Party	Nature of related party	Dividend paid	Interest paid	Interest received	Loans and advances given	Loans and advances received back	Loans repaid	Loans taken	Remuneration paid	Directors sitting fees	Directors commission	Purchase of assets	Purchase of goods & services	Reimbursement of expenses payable	Reimbursement of expenses receivable	CSR	Security deposit given	Security deposit received back	Sale of goods & services	Issue of equity share capital (including Securities Premium)	Adjustment of TDS receivable	Recovery of MAT credit entitlement	Transactions on account of amalgamation
Dalmia Bharat Limited	Holding	33	11	-	-	-	184	-	-	-	-	0	146	0	0	-	-	-	0	6,200	-	43	-
(Formerly Known as Odisha Cement Limited)		(20)	(36)	-	-	-	(237)	(1)	-	-	-	-	(100)	(1)	(1)	-	(0)	(0)	-		-	-	(57)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	8	-	0	-	-	-	1	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	(5)	-	-	-	-	-	(1)		-	-	-
Dalmia Refractories Limited	KMP Controlled		-	-	-	-	-	-	-	-	-	-	24	-	0	-	-	-	7	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(13)	-	(0)	-	-	-	(5)		-	-	-
Dalmia Power Limited	Fellow Subsidiary	-	-	1	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-
		-	(1)	(28)	-	(366)	(110)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Kanika Investment Limited	Fellow Subsidiary																						
		-	(0)	(3)	(16)	(41)	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture																						
		-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	-	13	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(12)	(0)	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(24)	-	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Mahendra Singhi	KMP	-	-	-	-	-	-	-	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(25)	-	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Jai Hari Dalmia	Non-Executive Director	-	-	-	-	-	-	-	3	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Yadu Hari Dalmia	Non-Executive Director	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-		-	-	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	-	0	1	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(1)	-	-	-	-	-	-	-	-		-	-	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-		-	-	-
Mrs. Sudha Pillai	Independent Director	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-		-	-	-
Mr. Paul Heinz Hugentobler	Independent Director	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-		-	-	-
Mr. T. Venkatesan	Non-Executive Director	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-		-	-	-
Mr. Jayesh Doshi	Chief Financial Officer								-														
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-		-	-	-
Mrs. Manisha Bansal	Company Secretary								0	-													
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-		-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10)	-	-	-		-	-	-
Mrs. Avantika Dalmia	Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Total		**33**	**11**	**1**	**-**	**3**	**184**	**-**	**84**	**0**	**1**	**0**	**178**	**0**	**0**	**5**	-	-	**8**	6,200	14	43	-
		(20)	**(37)**	**(31)**	**(16)**	**(407)**	**(347)**	**(1)**	**(61)**	**(0)**	**(1)**	**(0)**	**(118)**	**(1)**	**(1)**	**(10)**	(0)	(0)	(6)	-	-	-	(57)

All figures in ( ) represent amount for the year ended March 31, 2018.

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

C) Balance outstanding at year end:

Rs.

Name of the Related Party	Nature of related party	Trade payables	Trade receivables	Borrowings	Interest payable	Other receivables	Interest receivable	Loan/ Advances Receivable	Directors Commission Payable	Remuneration payable	Share capital suspense	Purchase Consideration Payable
Dalmia Bharat Limited	Holding	49	-	-	1	43	-	-	-	-	-	0
(Formerly Known as Odisha Cement Limited)		(19)	(2)	(184)	(32)	(166)	-	-	-	-	(6,200)	(0)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	0	0	-	-	-	-	-	-	-	-	-
		(0)	(0)	-	-	-	-	-	-	-	-	-
Glow Home Technologies Private Limited	KMP Controlled											
		-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP Controlled	3	6	-	-	-	-	-	-	-	-	-
		(2)	(0)	-	-	-	-	-	-	-	-	-
Dalmia Power Limited	Fellow Subsidiary	-	-	-	-	-	1	3	-	-	-	-
		-	-	(0)	(0)	-	(26)	(6)	-	-	-	-
Kanika Investment Limited	Fellow Subsidiary	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	-	5		-	-	-	-	-	-	-
		-	-	(5)	(1)	-	-	-	-	-	-	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	1	-	-	-
		-	-	-	-	-	-	-	(1)	-	-	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-
Mrs. Sudha Pillai	Independent Director	-	-	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-
Mr. Paul Heinz Hugentobler	Independent Director	-	-	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-
Mr. Puneet Yadu Dalmia	KMP											
		-	-	-	-	-	-	-	-	(6)	-	-
Total		**52**	**6**	**5**	**1**	**43**	**1**	**3**	**1**	-	-	0
		(21)	**(2)**	**(189)**	**(33)**	**(166)**	**(26)**	**(6)**	**(1)**	(6)	(6,200)	(0)

All figures in ( ) represent balance outstanding as at March 31, 2018.

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

D) Compensation of key management personnel of the Company:-

(Rs.)

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	40	51
Termination benefits	3	4
Post- employment benefits	34	0
Share-based payment transactions	4	6
Total compensation paid to key management personnel*	**81**	**61**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

* Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole.

E) Directors' interests in the Senior Executive Plan

Share options held by executive members of the Board of Directors under the senior executive plan to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (Rupees)	March 31, 2019 Number outstanding*	March 31, 2018 Number outstanding*
January 29, 2015	January 29, 2021	108.62	1,32,000	90,000
February 03, 2016	February 03, 2022	191.77	6,00,000	3,60,000
Total			**7,32,000**	**4,50,000**

* refer note no. 31.

F) Corporate guarantee

(i) Corporate guarantee given by the Company to a bank on behalf of subsidiary company namely Rajputana Properties Private Limited for issuance of Performance Bank Guarantee by such bank in respect of Resolution Plan submitted for acquisition of Binani Cement Limited under Insolvency and Bankruptcy Code, 2016 is Rs. Nil (March 31, 2018: Rs. 652).

(ii) Corporate guarantee given by the Company to a bank for issuance of bank guarantee on behalf of subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease of Rs. 12 (March 31, 2018: Rs. Nil)

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

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:

(Rs.)

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Financial assets carried at amortised cost				
Loans and advances to employees	17	16	17	16

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Security deposit	66	60	66	60
Incentives receivable	888	1,173	888	1,173
Loan to Related parties	-	6	-	6
Deposit with banks having remaining maturity of more than twelve months	12	18	12	18
Interest receivables	41	42	41	42
Investment in commercial paper	139	-	139	-
Loan to others	6	48	6	48
Other financial assets	16	10	16	10
				-
Financial assets carried at fair value through profit or loss				
Derivative Instruments(	62	81	62	81
Investment in mutual funds	361	1,934	361	1,934
Investment in non-trade corporate bonds	464	218	464	218
Investment in alternative investment fund	22	-	22	-
Financial assets carried at fair value through other comprehensive income				
Investment - Equity shares (unquoted)	0	0	0	0
Financial Liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,877	7,448	5,877	7,448
Security deposit received	405	490	405	490
Financial liabilities carried at fair value through profit and loss				
Derivative liability	3	2	3	2

The Group assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets (except derivative financial instruments), trade payables and other current financial liabilities (except derivative financial liabilities) 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, and 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.

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(c) The fair value of investment in corporate bonds are based on quoted market price at the reporting date. Fair value of investment in mutual funds/ alternative investment fund are based on market observable inputs i.e. Net Asset Value 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, 2019 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 Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(Rs.)

Particulars	Carrying Value March 31, 2019	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	66	-	-	66
Incentives receivable	888	-	-	888
Loan to Related parties	-	-		
Deposit with banks having remaining maturity of more than twelve months	12	-	12	-
Interest receivables	41			41
Investment in commercial paper	139	-	139	-
Loan to others	6	-	-	6
Other Financial Assets	16	-	-	16
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,877	-	5,877	
Security deposit received	405	-	-	405
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	62	-	62	-

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Investment in mutual funds	361		361	-
Investment in non-trade corporate bonds	464	464	-	-
Investment in alternative investment fund	22		22	
Financial liabilities carried at fair value through profit and loss				
Derivative liability	3	-	3	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(Rs.)

Particulars	Carrying Value March 31, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
<u>Disclosure</u>				
Financial assets carried at amortised cost				
Loans and advances to employees	16	-	-	16
Security deposit	60	-	-	60
Incentives receivable	1,173	-	-	1,173
Loan to Related parties	6	-	-	6
Deposit with banks having remaining maturity of more than twelve months	18	-	18	-
Interest receivables	42	-	-	42
Investment in commercial paper	-	-	-	-
Loan to others	48	-	-	48
Other financial assets	10	-	-	10
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	7,448	-	7,448	-
Security deposit received	489	-	-	489
<u>Measurement</u>				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	81	-	81	-
Investment in equity shares	-	-	-	-
Investment in mutual funds	1,934	-	1,934	-
Investment in non-trade corporate bonds	218	218		
Investment in alternative investment fund	-	-		
Financial liabilities carried at fair value through 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

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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 include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations. The Group also enters into derivative transactions.

When a derivative is entered into for the purpose of being a hedge, the Group 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.

The Group 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. 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 other 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 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:

(Rs.)

	Increase/ decrease in basis points	**Effect on profit before taxes**
March 31, 2019		
INR	+ 50 BPS	(14)
INR	- 50 BPS	14
USD	+ 50 BPS	(3)

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USD	- 50 BPS	3
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2
March 31, 2018		
INR	+ 50 BPS	(13)
INR	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(3)
EURO	- 50 BPS	3

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.

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.

The Group's exposure to foreign currency changes for currencies other than USD and EURO are not material.

(Rs.)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	+5%	(24)	(24)
March 31, 2019	-5%	24	24
March 31, 2018	+5%	(34)	(34)
March 31, 2018	-5%	34	34
	Change in Euro rate	**Effect on profit before tax**	**Effect on pre-tax equity**
March 31, 2019	+5%	(4)	(4)
March 31, 2019	-5%	4	4
March 31, 2018	+5%	(2)	(2)
March 31, 2018	-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.

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(Rs.)

	Less than 180 days past due	More than 180 days past due	Total
As at March 31, 2019			
Gross carrying amount (A)	499	105	603
Expected Credit Losses (B)	4	54	58
Net Carrying Amount (A-B)	**494**	**51**	**545**
As at March 31, 2018			
Gross carrying amount (A)	453	167	620
Expected Credit Losses (B)	1	57	58
Net Carrying Amount (A-B)	**452**	**110**	**562**

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, 2019, and March 31, 2018 is the carrying amounts of each class of financial assets.

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).

(Rs.)

	Less than 1 Year	1 to 5 Years	More than 5 years	Total
As at March 31, 2019				
Borrowings	1869	2346	1741	5956
Trade payables	920	-	-	920
Other financial liabilities	716	9	-	725
As at March 31, 2018				
Borrowings	2002	3595	1924	7522
Trade payables	935	-	-	935
Other financial liabilities	667	7	-	674

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.

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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.

(Rs.)

Particulars	March 31, 2019	March 31, 2018
Long term borrowing	4014	5456
Short term borrowing	908	1048
Current maturities of long term borrowings	955	944
Less : Current investments	986	2152
Less : Cash and Cash Equivalents	268	312
Net Debt	**4623**	**4984**
Equity	9252	9053
Capital and net debt	**13875**	**14037**
Gearing ratio	33.32%	35.51%

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, 2019 and March 31, 2018.

41. Movement of provision during the year:

(Rs.)

Particulars	Mines reclamation provision	Export promotion capital goods	Contingencies	Total
As at March 31, 2017	**28**	**58**	**65**	**151**
Additions during the year	3	7	5	15
Utilized during the year	-	(37)	(34)	(71)
As at March 31, 2018	**31**	**28**	**36**	**95**
Additions during the year	15	7	7	29
Utilized/Reversed during the year	-	(4)	(4)	(8)
As at March 31, 2019	**46**	**31**	**39**	**116**

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 the earlier years, ACL (now a unit of the Company, refer note 51(iii) on amalgamation) had imported certain plant and equipment under EPCG scheme after payment of concessional custom duty for which it had undertaken export obligation to be fulfilled as per the provisions of the said scheme. Till March 31, 2017, the management had, based on its latest business plan, estimated that ACL would not be able to fulfil a portion of the export obligation within the stipulated time and consequently, had made adequate provision in the 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 ACL, pursuant to merger of ACL with the Company w.e.f. January 1, 2015, as per the Foreign

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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.

42. Remuneration paid to auditors (included in Miscellaneous Expenses):

Parent Company (Rs.)

	Particulars	March 31, 2019	March 31, 2018
A.	**Statutory Auditors**		
	As an auditor		
	i) Statutory audit Fee	1	1
	ii) Tax Audit Fees	0	0
	iii) Limited Review Fee	1	1
	In other capacity		
	i) Certification Fee (including certification of financial statements arising out of merger scheme)	1	1
	ii) Taxation matters	0	-
	Reimbursement of expenses	0	0

Subsidiaries

	Particulars	March 31, 2019	March 31, 2018
A.	**Statutory Auditors**		
	As an auditor		
	i) Statutory audit Fee	0	0
	ii) Tax Audit Fees	0	0
	iii) Limited Review Fee	0	0
	In other capacity		
	i) Company law matter/ Other matters	0	0
	ii) Certification Fee	0	0
	Reimbursement of expenses	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.

Particulars	March 31, 2019	March 31, 2018
Brought forward from last year	**46**	**5**
Expenditure incurred during the year		
Employee benefit expenses	48	12
Rent	0	0
Insurance	0	-
Professional expenses	36	24
Miscellaneous expenses	18	7
Interest and financial charges*	32	12
Depreciation	7	-

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Trial Run Expenditure		
Raw Material Consumed	15	-
Consumption of Stores & Spare Parts	20	-
Power and Fuel	57	-
Freight and forwarding Charges	26	-
Employee cost	29	-
Insurance	-	-
Miscellaneous expenses	26	-
Total expenses for the year	326	55
Less: Income		
Sales from trial production	90	-
Change in inventories	12	-
Miscellaneous Income	2	-
Net expense for the year	222	55
Grand Total	268	60
Less: Capitalised during the year	118	14
Carried forward as part of Capital Work in Progress**	**150**	**46**

* Interest comprises Rs.10 (March 31, 2018: Rs. Nil) on general borrowings for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India using the weighted average interest rate applicable during the year which is 8.13% p.a.

** Includes Rs. 116 (March 31, 2018 : Rs. 12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

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 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, 2018: Rs. 260) and Rs. 59 (March 31, 2018: 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. 761 (excluding interest and trade receivable of Rs. 94) as at March 31, 2019 (March 31, 2018: Rs. 434 (excluding interest and trade receivable of Rs. 65)) 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.175 during the year ended March 31, 2019 (March 31, 2018: losses of Rs. 16). However, Calcom has accumulated losses of Rs. 296 as at March 31, 2019. 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.

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45. (a) 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 24th September 2014, the Group has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to Rs.6 in earlier years.

(b) The Group reviews trade receivables, advances and subsidies receivables on regular intervals and takes necessary steps (including legal action wherever required) for the recovery these balances. The Company is confident to realise the value stated good in the financial statements. The Company follows the expected credit loss model in respect of any such situations as stated in note 1(V), it believes that such amount is sufficient to cover for any possible loss.

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 29th March, 2010 in which the Group's interest jointly with OCL Iron & Steel Limited (OISL) is 14.69%. The Group has invested Rs. 7 (31 March, 2018: Rs.7) in equity shares of the JV Company which includes Rs. 4 (31 March, 2018: 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 24th September, 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. Derivatives

Derivatives not designated as hedging instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 36 months.

Foreign currency risk

The Company has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

Interest rate swap

The swap is being used to hedge the exposure to changes in the interest rate on borrowings. The increase/ decrease in fair value of the interest rate swap has been recognised in finance costs and offset with a similar gain / loss on the bank borrowings

The foreign exchange forward contract, options and interest rate swap balances vary with the level of expected foreign currency payment and changes in foreign exchange rates.

(Rs.)

Particulars	March 31, 2019		March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	62	3	81	2

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48. The Debt Restructuring package was approved by CDR Empowered Group of Reserve bank of India in one of 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.

49. The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power and fuel and other expenses as under:

(Rs.)

Particulars	March 31, 2019	March 31, 2018
Cost of materials consumed	340	315
Power and fuel	26	75
Other Expenses:		
Repairs and maintenance - Plant and machinery	74	87
Depot expenses	6	3
Miscellaneous expenses	5	3
Total	**451**	**483**

These expenses if reclassified on 'nature of expense' basis will be as follows:

Particulars	2017-18	2017-18
Salary, wages and bonus	33	29
Power and fuel	12	12
Other Expenses :		
Consumption of stores & spare parts	153	156
Repairs and maintenance - Plant and machinery	62	75
Repairs and maintenance – Buildings	0	1
Repairs and maintenance – Others	9	6
Rent	4	7
Advertisement and sales promotion	6	3
Rates & taxes (including royalty on limestone)	215	187
Insurance	0	0
Miscellaneous expenses	24	16
Professional charges	0	0
Other operating revenue:		
Sundry sales / income	(67)	(9)
Total	**451**	**483**

50. The Government of Assam in their high power committee meeting in February 2019 has granted Mega Project status to one of the Subsidiary company namely Calcom Cement India Limited (CCIL) under the Industrial and Investment policy of Assam 2014 for the investment done for establishment of clinkerisation unit at Umrangshu ("USO") of CCIL for 15 years in the state of Assam. The said unit will be entitled to 100% reimbursement of net SGST paid for a period of 15 years from the date of commercial production. Accordingly 100% remission of SGST for the period from July 01, 2017 to March 31, 2019 of Rs. 51 has been recognized as income on reasonable assurance during the current year.

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51. As noticed by the Company during the year, certain mutual fund units ("Securities") appearing as current investments valued at Rs. 344 as on December 31, 2018 (carried as current investments as on March 31, 2019 at same value) have been fraudulently and unauthorisedly transferred by Allied Financial Services Private Limited ("Allied"), the Depository Participant from the demat account(s) of the Company. These Securities were earlier held by the erstwhile subsidiaries of the Company, OCL India Limited ("OCL") and Dalmia Cement East Limited ("DCEL") (transferred pursuant to a Scheme of Arrangement and Amalgamation approved by the Hon'ble National Company Law Tribunal, Chennai effective October 30, 2018 to the Company). Allied has without authorisation transferred the Securities in the demat account(s) of the Company to its own account(s), its directors and its associates and used the same for the purpose of margin with IL&FS Securities Services Limited ("ISSL"), the clearing agent of Allied for placing trade orders on Future & Options Segment of National Stock Exchange of India Limited. Such transfers were made through Depository Instruction Slips (DIS) which contained forged signatures of the authorised persons of OCL and DCEL. The Company has filed complaints with the Securities and Exchange Board of India ("SEBI") and the Economic Offences Wing, Delhi ("EOW") on February 8, 2019 and February 15, 2019 respectively against Allied and others for cheating and forgery. EOW vide its orders dated February 28, 2019, March 18, 2019 and March 29, 2019 directed ISSL and others not to sell, purchase, transfer, alienate, redeem / deal with the Securities. Similarly, in the complaint filed by NSE, SEBI vide its ad interim ex-parte order dated February 27, 2019, observed that Allied misappropriated the securities of its clients and consequently, directed Allied and other noticees mentioned in the order, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI / National Stock Exchange (NSE). The authorities are seized of the matter. The Board of Directors of the Company desired that an Independent firm of Accountants be appointed to carry out investigation (forensic) in relation to the said fraudulent transfer of Securities at the earliest. The Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required to be made in the books of accounts. The management of the Company has since taken the necessary remedial measures to strengthen the controls.

52. During the current year profitability of one of the Subsidiary company namely Calcom Cement India Limited (CCIL) has improved on account of better utilization of installed capacity, increase in demand of cement and also recognition of remission of State Goods and Services Tax ("SGST"). The management based on the future profitability projections and also profits earned during the current year and last one years is confident that there would be sufficient profit in future to utilize the unabsorbed amount of depreciation and business losses etc. Accordingly, CCIL has recognised deferred tax assets of Rs. 51 during the current year.

53. The Group comprises of the following entities:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2019	Percentage of Ownership held as at March 31, 2018
Subsidiaries			
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%

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

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2019	Percentage of Ownership held as at March 31, 2018
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	India	99.99%	99.99%
Chandrasekara Agro Farms Private Limited	India	100%	100%
OCL Global Limited	Mauritius	100%	100%
Dalmia DSP Limited (W.e.f. July 10, 2018)	India	100%	-
Hopco Industries Limited (W.e.f. December 21, 2018)	India	100%	-
Step Down subsidiaries			
Cosmos Cements Limited	India	100%	100%
OCL China Limited	China	90%	90%
RCL Cements Limited	India	100%	100%
SCL Cements Limited	India	100%	100%
Sutnga Mines Private Limited	India	100%	100%
Vinay Cements Limited	India	97.21%	97.21%
Associate			
Dalmia Renewable Energy Limited	India	-	49%
Joint Venture			
Khappa Coal Company Private Limited	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited	India	14.70%	14.70%

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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54 Segment information

Operating segment

The Chief operational decision maker (CODM) monitors the operating results of its business sements 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 the Ind AS. However, the Company's finance costs and income taxes are managed on a Company basis and are not allocated to operating segments.

During the current year, Company has reviewed its segment information and decided to have below segments as per Ind AS 108, 'Operating Segments':

(a) Cement division which produces various grades of cement and its related products;
(b) Others include Refractory division, Investment division and Management Services.

No other operating segments have been aggregated to form the above reportable operating segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Particulars	**Cement**		**Others**		**Total**	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**	**Mar-19**	**Mar-18**
Revenue						
External revenue (including other operating revenue)	8,896	8,397	558	404	9,454	8,801
Inter segment revenue	8	8	9	4	17	12
	8,904	**8,405**	**567**	**408**	**9,471**	**8,813**
Less: Elimination	(8)	(8)	(9)	(4)	(17)	(12)
Total revenue	**8,896**	**8,397**	**558**	**404**	**9,454**	**8,801**
Results						
Segment results	**575**	**835**	**50**	**(15)**	**625**	**820**
Less: Finance costs					(561)	(739)
Add: Other unallocable income (net)					192	249
Profit before tax					**257**	**330**
Other disclosures						
Segment assets	18,060	17,348	856	421	18,916	17,769
Unallocable assets					222	2,431
Total assets					**19,138**	**20,200**
Segment liabilities	2,071	1,746	441	372	2,512	2,118
Unallocable liabilities					7,373	9,029
Total liabilities					**9,885**	**11,147**
Other disclosures						
Depreciation and amortisation	1,282	1,196	10	13	1,292	1,209
Capital expenditure	1,021	347	18	7	1,039	355

Information about geographical areas

Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

Information about major customers

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.

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

55. Details relating to Net Assets and Profit or Loss in respect of Subsidiaries, Associates and Joint Ventures:

Name of the entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
Subsidiaries	Amount (Rs. In. Cr)	As % of consolidated net assets	Amount (Rs. In. Cr)	As % of consolidated profit / loss	Other Comprehensive	As % of consolidated OCI	Total Comprehensive Income	As % of total Comprehensive
A. Parent								
Dalmia Cement Bharat Limited	9,165	99%	80	33%	(10)	108%	70	30%
B. Subsidiaries								
Indian Subsidiaries								
Bangaru Kamakshi Amman Agro Frams Private Limited	4	0%	(0)	0%	-	0%	(0)	0%
Calcom Cement India Limited	396	4%	213	87%	(0)	2%	213	91%
Cosmos Cements Limited	12	0%	(0)	0%	-	0%	(0)	0%
D.I. Properties Limited	2	0%	(0)	0%	-	0%	(0)	0%
Dalmia Minerals & Properties Limited	52	1%	(0)	0%	-	0%	(0)	0%
Geetee Estates Limited	8	0%	(0)	0%	-	0%	(0)	0%
Golden Hills Resorts Private Limited	1	0%	(0)	0%	-	0%	(0)	0%
Hemshila Properties Limited	7	0%	(0)	0%	-	0%	(0)	0%
Ishita Properties Limited	(2)	0%	0	0%	-	0%	0	0%
Jayevijay Agro Farms Private Limited	4	0%	(0)	0%	-	0%	(0)	0%
Rajputana Properties Private Limited	(0)	0%	(0)	0%	-	0%	(0)	0%
RCL Cements Limited	9	0%	(4)	-2%	0	0%	(4)	-2%
SCL Cements Limited	(42)	0%	(9)	-4%	(0)	0%	(9)	-4%
Shri Radha Krishna Brokers & Holdings Limited	-	0%	0	0%	-	0%	0	0%
Shri Rangam Properties Limited	11	0%	(0)	0%	-	0%	(0)	0%
Sri Dhandauthapani Mines & Minerals Limited	0	0%	0	0%	-	0%	0	0%
Sri Madhusudana Mines & Properties Limited	7	0%	(0)	0%	-	0%	(0)	0%
Sri Shanmugha Mines & Minerals Limited	9	0%	(0)	0%	-	0%	(0)	0%
Sri Subramanya Mines & Minerals Limited	6	0%	(0)	0%	-	0%	(0)	0%
Sri Swaminatha Mines & Minerals Limited	4	0%	(0)	0%	-	0%	(0)	0%
Sri Trivikrama Mines & Properties Limited	7	0%	(0)	0%	-	0%	(0)	0%
Sutnga Mines Private Limited	2	0%	(0)	0%	-	0%	(0)	0%
Vinay Cements Limited	(138)	-1%	(25)	-10%	0	0%	(25)	-11%
Alsthom Industries Limited	31	0%	19	8%	(0)	1%	19	8%
Chandrasekara Agro Farms Private Limited	2	0%	(0)	0%	-	0%	(0)	0%
Hopco Industries Limited	-	0%	-	0%	-	0%	-	0%
Dalmia DSP Limited	12	0%	(0)	0%	-	0%	(0)	0%

S.S. Kothari Mehta & Company * Chartered Accountants * New Delhi

Dalmia Cement (Bharat) Limited

Notes to Consolidated financial statements

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

Name of the entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
Subsidiaries	Amount (Rs. In. Cr)	As % of consolidated net assets	Amount (Rs. In. Cr)	As % of consolidated profit / loss	Other Comprehensive	As % of consolidated OCI	Total Comprehensive Income	As % of total Comprehensive
Foreign Subsidiaries								
OCL Global Limited	81	1%	0	0%	1	-6%	1	0%
OCL China Limited	46	1%	(5)	-2%	1	-6%	(5)	-2%
C. Joint Ventures								
(As per equity method)								
Indian Joint Ventures								
Khappa Coal Company Private Limited	-	0%	-	0%	-	0%	-	0%
Radhikapur (West) Coal Mining Private Limited	-	0%	0	0%	-	0%	0	0%
						0%		
Less: Elimination / Adjustments	(443)	-5%	(22)	-9%	-	-	(22)	-9%
Total	**9,253**	**100%**	**245**	**100%**	**(9)**	**100%**	**236**	**100%**

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

56. Research and development (R&D) expenses

The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:-

Rs.

Particulars	March 31, 2019	March 31, 2018
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	3
- Raw materials & stores	1	1
- Others	2	2
Total	**7**	**6**
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	**7**	**6**

57. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

S.S. KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No.: 087294

For and on behalf of the Board of Directors of
Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director & CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Place : New Delhi
Date: May 09, 2019