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, 2020, 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 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 state of affairs of the Company as at March 31, 2020, its loss and total comprehensive loss, changes in equity and its cash flows 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

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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.

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:

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

- 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 Companies act, 2013, 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 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

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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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 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, 2020. 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. 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 & CO. NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: June 04, 2020
UDIN : 20087294AAAADL4087

Annexure A to the Independent Auditor's Report to the Members of Dalmia Power Limited dated June 04, 2020

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, Service Tax, Custom Duty, Excise duty, 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, 2020 for a period of more than six months from the date they became payable.

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

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.

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 accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is 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.

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

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: **June 04, 2020**
UDIN : 20087294AAAADL4087

Annexure B to the Independent Auditor's Report to the Members of Dalmia Power Limited dated June 04, 2020

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, 2020 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.

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

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.

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, 2020, 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

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

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: June 04, 2020
UDIN : 20087294AAAADL4087

Dalmia Power Limited
Balance Sheet as at March 31, 2020
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

Rs.

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11.13	11.13
Capital work-in-progress	2.2	-	32.41
Financial assets:			
(i) Investment	2.3	-	28.84
Other non current assets	2.4	-	613.38
		11.13	**685.76**
Current Assets			
Financial assets:			
(i) Investments	2.5	76,778.59	1,00,084.46
(ii) Cash and cash equivalents	2.6	10.67	8.87
(iii) Other financial assets	2.7	-	1.03
Other current assets	2.8	74.83	74.83
Assets held for sale	2.9	32.41	-
		76,896.50	**1,00,169.19**
Total assets		**76,907.63**	**1,00,854.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	50.00	50.00
Other equity	2.11	46,202.75	69,091.36
		46,252.75	**69,141.36**
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	2.12	0.00	342.39
		0.00	**342.39**
Current liabilities			
Financial liabilities			
(i) Borrowings	2.13	27,634.19	28,111.19
(ii) Trade payables	2.14		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprisees		0.87	0.87
(iii) Other financial liabilities	2.15	2,582.10	2,724.08
Other current liabilities	2.16	264.50	256.82
Current tax liabilities (net)		173.22	278.24
		30,654.88	**31,371.20**
Total liabilities		**76,907.63**	**1,00,854.95**
Significant accounting policies	1B		

The accompanying notes form an integral part of these 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: June 04, 2020

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

Ashwini Kumar Dalmia
Director
DIN No. 07040702

Bharat Bhushan Mehta
Director
DIN No.00006890

AG

Dalmia Power Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

	Notes	Year ended March 31, 2020	Rs. Year ended March 31, 2019
INCOME			
Other income	2.17	1,414.96	1,270.50
Total income (i)		1,414.96	1,270.50
EXPENSES			
Finance costs	2.18	2,644.47	2,567.67
Other expenses	2.19	2.33	101.95
Total expenses (ii)		2,646.80	2,669.62
(Loss) before tax [(i) - (ii)]		(1,231.84)	(1,399.12)
Tax expenses:			
Current tax		-	0.00
Deferred tax (credit)		-	(2.04)
Current tax adjustments for earlier years		(115.63)	-
Total tax expense		(115.63)	(2.04)
(Loss) after tax		(1,116.21)	(1,397.08)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Net (loss)/ gain on equity instruments through other comprehensive income		(22,114.79)	2,856.96
- Income tax credit relating to above item		342.39	1,766.47
Other comprehensive income for the year, net of tax		(21,772.40)	4,623.43
Total comprehensive income for the year		(22,888.61)	3,226.35
Earnings per share			
Basic and Diluted Earnings Per Share (In Rupees) [Nominal Value of Share Rs.10 (Rs.10) each]	2.20	(223.24)	(279.42)
Significant accounting policies	1B		

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

As per our report of even date

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

Sunil Wahal
Partner
Membership No. 087294
Place: New Delhi
Date: June 04, 2020

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

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

Ashwini Kumar Dalmia
Director
DIN No. 07040702

Bharat Bhushan Mehta
Director
DIN No.00006890

AG

Dalmia Power Limited
Cash Flow Statement for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

Rs.

		Year ended March 31, 2020		Year ended March 31, 2019
A. Cash flow from operating activities				
(Loss) before tax		(1,231.84)		(1,399.12)
Adjustments:				
Asset written off	-		101.06	
Profit on sale of non-current investments	(3.50)		(6.07)	
Reversal of fair valuation gain on Investment (FVTPL)	4.12		(4.12)	
Finance costs	2,644.47		2,567.67	
Interest (income)	(1.62)		(2.05)	
Share in profit of limited liability partnership investment	(663.88)		(591.03)	
Dividend (income)	(750.08)		(667.23)	
		1,229.51		1,398.23
Operating (loss) before working capital changes		(2.33)		(0.89)
Adjustments for working capital changes:				
Decrease in other non current assets	-		1,164.89	
Other financial assets	-		21.09	
Decrease/(increase) in other current assets	-		91.58	
Increase in other current liabilities	7.68		205.33	
		7.68		1,482.88
Cash generated from operations		5.35		1,481.98
Income tax paid (net)		10.61		-
Net cash flow from operating activities		15.96		1,481.98
B. Cash flow from investing activities				
Proceeds on refund of capital advance	613.38			
Share in profit of limited liability partnership investment	663.88		591.03	
Profit on sale of investments (net)	-		10.19	
Proceeds from sale of non-current investments	28.22		(4.12)	
Proceeds from sale of current investments	1,191.08		-	
Interest received	2.65		2.05	
Dividend received	750.08		667.23	
Net cash flow from investing activities		3,249.29		1,266.38
C. Cash flow from financing activities				
(Repayment) of short term borrowings	(732.00)		-	
Proceeds from short term borrowings	255.00		65.74	
Interest paid	(2,786.45)		(2,812.09)	
Net cash flow (used in) financing activities		(3,263.45)		(2,746.35)
Net changes in cash and cash equivalents		1.80		2.01
Net Increase / (-) Decrease in cash and cash equivalents				
Balance at the end of the year		10.67		8.87
Balance at the beginning of the year		8.87		6.86
Net changes in cash and cash equivalents		1.80		2.01

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.

The accompanying notes form 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

Sunil Wahal
Partner
Membership No. 087294
Place: New Delhi
Date: June 04, 2020

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

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

Ashwini Kumar Dalmia
Director
DIN No. 07040702

Bharat Bhushan Mehta
Director
DIN No.00006890

Dalmia Power Limited
Statement of changes in equity for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Lakhs 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, 2018	5,00,000	50.00
Issue of share capital	-	-
As at March 31, 2019	5,00,000	50.00
Issue of share capital	-	-
As at March 31, 2020	5,00,000	50.00

B. Other equity

Rs.

Particulars	Reserve and Surplus		Other comprehensive income	Total
	Capital reserve	Retained earnings	Equity instruments through OCI	
As at April 1, 2018	18,203.86	(637.35)	48,298.51	65,865.01
(Loss) for the year	-	(1,397.08)	-	(1,397.08)
Other comprehensive income (net of tax)	-	-	4,623.43	4,623.43
Total comprehensive income for the year	-	(1,397.08)	4,623.43	3,226.35
As at March 31, 2019	18,203.86	(2,034.43)	52,921.94	69,091.36
As at April 1, 2019	18,203.86	(2,034.44)	52,921.94	69,091.36
(Loss) for the year	-	(1,116.21)	-	(1,116.21)
Other comprehensive income (net of tax)	-	-	(21,772.40)	(21,772.40)
Total comprehensive income for the year	-	(1,116.21)	(21,772.40)	(22,888.61)
Transfer to retained earnings on sale of equity instruments through OCI	-	702.77	(702.77)	
As at March 31, 2020	18,203.86	(2,447.88)	30,446.77	46,202.75

For description of the purposes of each reserve within equity, refer note 2.11 of financial statements

As per our report of even date

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

Sunil Wahal
Partner
Membership No. 087294
Place: New Delhi
Date: June 04, 2020

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

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

Ashwini Kumar Dalmia
Director
DIN No. 07040702

Bharat Bhushan Mehta
Director
DIN No.00006890

AG

Note 1

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 (formerly known as Odisha Cement Limited).

The Company is primarily engaged in power/energy business and investment/acquisition of power / energy assets.

The financial statements for the year ended March 31, 2020 were authorised for issued in accordance with a resolution of the Board of Directors on June 04, 2020.

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 following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

The financial statements are presented in Indian Rupee (Rs.) and all the values are rounded off to the nearest Lakhs, except number of shares, face value of share, earning/ (loss) per share or wherever otherwise indicated.

(ii) Summary of significant Accounting Policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

(b) **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.

(c) **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.

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.

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.

- Financial instruments (including those carried at amortised cost) (note 2.27)
- Comparison of carrying value and fair value of financial instruments (note 2.27)
- Quantitative disclosures of fair value measurement hierarchy (note 2.27)

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

(d) **Revenue recognition**

Revenue is recognised 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 recognised:

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. Interest income is included in "other income" in the statement of profit and loss.

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

Share in profit of Limited Liability Partnership (LLP)
The Company's share in profits from LLP, where the Company is a partner, is recognised as income as and when the right to receive its profit share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

(e) **Income 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. 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

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

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

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.

(f) 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.

(g) Property, plant and equipment

The Company's property, plant and equipment (PPE) include freehold land only. The Company had measured freehold land at fair value as on the transition date i.e. April 1, 2015 which has become its deemed cost.

PPE are stated at cost less impairment losses, if any. Cost comprises the purchase price, including non-refundable purchase taxes and any attributable cost of bringing the asset to its working condition for its intended use.

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.

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.

Depreciation expense

Depreciation on property, plant and equipment is provided on a straight-line basis based on the estimated useful lives of an asset prescribed under Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

(h) 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 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 and other costs that an entity incurs in connection with the borrowing of funds.

(i) Leases

Policy applicable with effect from April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

Policy relating to leases till March 31, 2019

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 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.
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.

(j) 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.

Impairment losses are recognised in the statement of profit and loss.

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.

(k) Provisions and contingent liabilities

General
Provisions are recognised 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.

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. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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

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(l) **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.

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.

(m) **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
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. 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:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)
A 'financial asset' 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 other 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 other receivables.

Financial assets designated at fair value through OCI (equity instruments)
On initial recognition of an equity instrument that is not held for trading, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

Subsequently, these financial assets are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Gains and losses on these financial assets are never recycled from other comprehensive income to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Dividends on these investments are recognised as 'other income' in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

The Company elected to classify irrevocably its listed equity investment and unquoted investment under this category.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Debt instrument, which does not meet the criteria for categorisation 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 as at FVTPL.

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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., bank balance and other receivables.

For recognition of impairment loss on financial assets, 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.

ECL impairment loss allowance (or reversal) recognised 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.

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.

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.

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

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.

n. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, as defined above.

C. **Recent accounting pronouncements**

The Company adopted Ind AS 116 *Leases* using the modified retrospective method with the date of initial application of April 1, 2019. The adoption of Ind AS 116 did not have any impact on the financial statements of the Company.

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/ notified.

Amendment to existing issued Ind AS

i) Amendment to Ind AS 12, Income Taxes

ii) Amendment to Ind AS 23, Borrowing costs

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

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

Dalmia Power Limited
Notes to the finanical statements
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

2.1 Property, plant and equipment

Rs.

Particulars	Freehold land	Total
Deemed cost *		
As at April 1, 2018	11.13	11.13
Additions	-	-
Disposals	-	-
As at March 31, 2019	**11.13**	**11.13**
Additions	-	-
Disposals	-	-
As at March 31, 2020	**11.13**	**11.13**
Depreciation		
As at April 01, 2018	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Net block		
As at March 31, 2020	**11.13**	**11.13**
As at March 31, 2019	11.13	11.13

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

2.2 Capital work-in-progress

Movement of capital work in progress

Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	32.41	133.46
Additions during the year	-	-
Capitalised during the year	-	-
Deletions during the year *	-	(101.06)
Transfer to Assets held for sale	(32.41)	-
Closing balance	-	32.41

* Company had written of Rs. 101.06 lakhs during the previous year.

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
2.3 Non-current investment		
Investment at fair value through profit or loss		
Quoted bonds		
Nil (March 31, 2019 : 2,472) 8.30% NHAI tax free bonds	-	28.84
	-	28.84
Aggregate book value of quoted investment	-	28.84
Aggregate market value of quoted investment	-	28.84
2.4 Other non-current assets (Unsecured, considered good)		
Capital advances	-	613.38
	-	613.38
2.5 Current Investments		
Investments at fair value through other comprihensive income		
(a) Quoted equity shares (fully paid up)		
30,003,361 (March 31, 2019 : 30,328,630) shares of Rs. 1/- each in Indian Energy Exchange Limited	38,389.30	50,042.24
(b) Investment in others (unquoted)		
Investment in limited liability partnership (LLP)		
TVS Shriram Growth Fund 1B LLP (Contribution 100.00% (March 31, 2019 : 67.95%)) *	38,389.29	50,042.22
	76,778.59	1,00,084.46
Aggregate book value of quoted investments	38,389.30	50,042.24
Aggregate market value of quoted investments	38,389.30	50,042.24
Aggregate value of unquoted investments	38,389.29	50,042.22

* During the financial year ended March 31, 2020, TVS Shriram Growth Fund 1B(TVS Fund), who was holding 32.05% of total capital contribution in TVS Shriram Growth Fund 1B LLP (TVS LLP) sold its entire contribution in TVS LLP. As result of exit of TVS fund from the LLP the Group holds holds 100% interest in TVS LLP.

	As at March 31, 2020	As at March 31, 2019
2.6 Cash and cash equivalents		
Balances with banks:		
- On current accounts	10.67	8.87
	10.67	8.87
2.7 Other financial assets (Unsecured, considered good)		
Interest receivable	-	1.03
	-	1.03
2.8 Other current assets (Unsecured, considered good)		
Advances to suppliers	69.39	69.39
Balances with government departments and other authorities	5.41	5.41
Prepayments	0.03	0.03
	74.83	74.83
2.9 Assets held for sale		
Assets classified as held for sale	32.41	-
	32.41	-

Certain plant and equipments 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.

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

Dalmia Power Limited
Notes to the finanical statements
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

Dalmia Power Limited
Notes to the finanical statements
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise

Rs.

	As at March 31, 2020	As at March 31, 2019
2.10 Share capital:		
Authorised:		
3,000,000 (March 31, 2019 : 3,000,000) equity shares of Rs. 10/- each	300.00	300.00
	300.00	**300.00**
Issued, subscribed and fully paid up:		
500,000 (March 31, 2019 : 500,000) equity shares of Rs. 10/- each	50.00	50.00
	50.00	**50.00**

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	5,00,000	50.00	5,00,000	50.00
Issued during the year	-	-	-	-
At the end of the year	**5,00,000**	**50.00**	**5,00,000**	**50.00**

(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. 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, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
Dalmia Bharat Limited (formerly known as Odisha Cement Limited)	5,00,000	50.00	5,00,000	50.00

(d) **Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Dalmia Bharat Limited (formerly known as Odisha Cement Limited)	5,00,000	100.00%	5,00,000	100.00%

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

2.11 Other Equity

	As at March 31, 2020	As at March 31, 2019
Capital reserve		
Opening balance as per last financial statements	18,203.86	18,203.86
Closing balance	**18,203.86**	**18,203.86**
Retained earnings		
Opening balance as per last financial statements	(2,034.43)	(637.35)
(Loss) for the year	(1,116.21)	(1,397.08)
Add: Transfer to retained earnings on sale of equity instruments through OCI	702.77	-
Closing balance	**(2,447.88)**	**(2,034.43)**
Other comprehensive income, net of tax		
Opening balance as per last financial statements	52,921.94	48,298.51
Add: Changes during the year	(21,772.40)	4,623.43
Less: Transfer to retained earnings on sale of equity instruments through OCI	(702.77)	-
Closing balance	**30,446.77**	**52,921.94**

Description of nature and purpose of each reserve

(a) **Capital reserve**- This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in earlier years. This reserve is not available for the distribution to the shareholders.

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

(c) **Equity instruments through Other Comprehensive Income**- The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the 'Equity instruments through Other Comprehensive Income' within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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

AG.

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

2.12 Income Tax

(i) The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit or loss section:		
Current income tax :		
Current income tax charge	-	0.00
Adjustments in respect of current income tax of earlier years	(115.63)	-
Deferred tax :		
Relation to origination of temporary differences	-	(2.04)
Income tax expense reported in the statement of profit and loss	(115.63)	(2.04)
OCI section:		
Deferred tax related to items recognised in OCI during the year		
Unrealised (gain)/ loss on FVTOCI equity instruments	342.39	1,766.47
Deferred tax (expense)/ credit charged to OCI	342.39	1,766.47

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	Year ended March 31, 2020	Year ended March 31, 2019
Accounting (loss) before tax	(1,231.84)	(1,399.12)
At India's statutory income tax rate of 22.00% (March 31, 2019: 26.00%)	(271.01)	(363.77)
Adjustments in respect of current income tax of previous years	(115.63)	-
Income exempt from income tax	(311.07)	(328.75)
Expenses disallowed	581.78	667.60
Others	0.29	22.89
Income tax expense reported in the statement of profit and loss	(115.63)	(2.04)

(iii) Deferred tax

Deferred tax relates to the following:	Balance sheet		Statement of profit and loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revaluation of FVTOCI investments to fair value	(0.00)	(342.39)	-	(2.04)
Deferred tax (credit)			-	(2.04)
Net deferred tax (liabilities)	(0.00)	(342.39)		

Reconciliation of deferred tax liabilities (net):		
Opening balance as at April 1	342.40	2,110.91
Tax expense recognised in profit or loss	-	(2.04)
Tax expense recognised in OCI	(342.39)	(1,766.47)
Closing balance as at March 31	0.00	342.40

2.13 Borrowings

Unsecured		
From a related party (refer note 2.30)	27,634.19	28,111.19
	27,634.19	28,111.19

Loan from a related party are repayable on demand and carry interest @ 9.00 % p.a.

2.14 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 2.21)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.87	0.87
	0.87	0.87

2.15 Other financial liabilities

Interest accrued but not due on borrowings		
- Related party (refer note 2.30)	2,582.10	2,724.08
	2,582.10	2,724.08

2.16 Other current liabilities

Other liabilities		
- Statutory dues	264.50	256.82
- Others	-	-
	264.50	256.82

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

AG.

Dalmia Power Limited
Notes to the finanical statements
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise Rs.

Dalmia Power Limited
Notes to the finanical statements
All amounts stated in Rs. are in Rs. Lakhs except wherever stated otherwise Rs.

	Year ended March 31, 2020	Year ended March 31, 2019
2.17 Other income:		
Dividend income on equity investments measured at FVTOCI	750.08	667.23
Interest from bank and others	1.62	2.05
Profit on sale of non-current investment	3.50	6.07
Fair valuation of non-current investment measuresd at FVTPL	(4.12)	4.12
Share in profit of limited liability partnership investment (post tax)	663.88	591.03
	1,414.96	1,270.50
2.18 Finance costs		
Interest on loan and others	2,644.47	2,567.67
	2,644.47	2,567.67
2.19 Other expenses		
Professional charges	1.68	0.28
Asset written off	-	101.06
Auditors remuneration		
Audit fees	0.59	0.50
For expenses	-	0.06
Filing fees	0.05	0.03
Demat charges	-	0.02
Miscellaneous Expenses	0.01	0.00
	2.33	101.95
2.20 Earnings per share:		
Net (loss) after tax for calculation of basic and diluted EPS (Rs.)	(1,116.21)	(1,397.08)
Weighted average number of equity shares outstanding	5,00,000	5,00,000
Basic and Diluted EPS (Rupees)	(223.24)	(279.42)

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

AG.

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

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

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		₹	₹
(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	-	-

2.22 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.

2.23 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.

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

2.25 Since there are no employees in the Company, requirements of Ind AS 19, *Employee Benefits* is not applicable.

2.26 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2020 : Rs. Nil (March 31, 2019 : Rs. Nil).

2.27 Fair value measurement

The management assessed that cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 :

(1) There is an active market for the Company's quoted equity shares.
(2) The fair value of Company's unquoted investment is determined using fair value of limited liability partnership based on the latest available financial statements.
(3) 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, 2020 was assessed to be insignificant.

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.

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, 2020

(1) Financial assets	Carrying value	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets at amortised cost					
Cash and cash equivalents#	10.67	10.67	-	-	10.67
	11.67	11.67	-	-	10.67
Financial assets at fair value through other comprehensive income					
Investment in equity shares	38,389.30	38,389.30	38,389.30	-	-
Investment in limited liability partnership	38,389.29	38,389.29	-	38,389.29	-
		76,778.59	38,389.30	38,389.29	-
	11.67	76,790.26	38,389.30	38,389.29	10.67

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

(2) Financial liabilities	Carrying value	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial liabilities at amortised cost					
Borrowings#	27,634.19	27,634.19	-	27,634.19	-
Trade payables#	0.87	0.87	-	-	0.87
Other financial liabilities#	2,582.10	2,582.10	-	-	2,582.10
	30,217.16	30,217.16	-	27,634.19	2,582.97

(b) **Disclosure for the year ended March 31, 2019**

(1) Financial assets	Carrying value	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets at amortised cost					
Cash and cash equivalents#	8.87	8.87	-	-	8.87
Other financial assets#	1.03	1.03	-	-	1.03
	9.90	9.90	-	-	9.90
Financial assets at fair value through profit or loss					
Investment in bonds	28.84	28.84	28.84	-	-
	28.84	28.84	28.84	-	-
Financial assets at fair value through other comprehensive income					
Investment in equity shares	50,042.24	50,042.24	50,042.24	-	-
Investment in limited liability partnership	50,042.22	50,042.22	-	50,042.22	-
	1,00,084.46	1,00,084.46	50,042.24	50,042.22	-
	1,00,123.20	1,00,123.20	50,071.08	50,042.22	9.90

(2) Financial liabilities	Carrying value	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial liabilities at amortised cost					
Borrowings#	28,111.19	28,111.19	-	28,111.19	-
Trade payables#	0.87	0.87	-	-	0.87
Other financial liabilities#	2,724.08	2,724.08	-	-	2,724.08
	30,836.14	30,836.14	-	28,111.19	2,724.95

at amortised cost

(c) **Description of significant unobservable inputs to valuation:**

Financial Liabilities	Valuation Technique	Significant unobservable input
Borrowings	DCF Method	Effective Interest Rate

2.28 Financial risk management objective and policies:

The Company's principal financial liabilities comprise borrowings from its holding company.The Company's principal financial assets include investment in equity shares, 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, 2020.

(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 transactions in foreign currency. 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 is exposed to credit risk from its operating activities, including financial instruments.

(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.

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

(B) Disclosure of transactions with Related parties

Nature of transactions	Ref. to Note (A) above	2019-20	2018-19
			(Rs.)
Interest expense			
Dalmia Bharat Limited	(i)	2,611.47	2,472.95
Dalmia Cement (Bharat) Limited	(ii)	32.99	94.72
Refund of loan given			
Dalmia Cement (Bharat) Limited	(ii)	-	1,707.45
Refund of accrued interest on borrowings			
Dalmia (Bharat) Limited	(i)	2,495.00	-
Dalmia Cement (Bharat) Limited	(ii)	28.00	2,555.32
Borrowings taken			
Dalmia Bharat Limited	(i)	255.00	330.00
Dalmia Cement (Bharat) Limited	(ii)	-	1,443.19
Borrowings repaid			
Dalmia Bharat Limited	(i)	732.00	-
Balance outstanding			
Interest receivable			
Dalmia Cement (Bharat) Limited	(i)	-	-

		2019-20	2018-19
			(Rs.)
Accrued interest on borrowings			
Dalmia Bharat Limited	(i)	2,495.16	2,638.83
Dalmia Cement (Bharat) Limited	(ii)	86.94	85.25
Borrowing outstanding at year end			
Dalmia Bharat Limited	(i)	27,341.70	27,818.70
Dalmia Cement (Bharat) Limited	(ii)	292.49	292.49

2.31 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".

2.32 **Subsequent events:**
No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these 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: June 04, 2020

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

Ashwini Kumar Dalmia
Director
DIN No. 07040702

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 III,
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 2020, 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, as amended ("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, 2020, its profit including other comprehensive loss, 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, 2020 which describes that the Company had recognized goodwill arisen on giving impact of such Schemes from the appointed dates, which is being amortized 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 amortization of goodwill, profit before tax for the year ended March 31, 2020 is lower by Rs. 402 crore. Our Opinion is not qualified in respect of this matter.

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

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

(b) We draw attention to Note 52 to the accompanying standalone Ind AS financial statement for the year ended March 31, 2020, as noticed by the Company during the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at Rs. 374 crore as on March 31, 2020 were illegally and fraudulently transferred by one of the Depository Participants ("DPs"), from demat accounts of the Company. Based on the complaint filed by the Company and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and froze such Securities till further orders. Likewise, SEBI also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI / National Stock Exchange (NSE). Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities. After filing of charge sheet, the Company has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending. Consequent to this, the Company, during the current year, has valued these Securities at the fair market value existing as at March 31, 2020 and an amount of Rs. 30 crore has been credited in the statement of profit and loss under the head 'Other income'. The matter is under sub-judice and as detailed in note referred above to the standalone Ind AS Financial Statement, is pending for further order/directives from Hon'ble Supreme Court and order of SEBI is also awaited. The matter is also currently under investigation by Company through an independent firm of Chartered Accountants. 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, 2020. 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**
<u>Impairment Assessment of Carrying Value of Goodwill</u> *(as described in note 57(i) of the standalone Ind AS financial statements)*	
(a) The Company is carrying goodwill Rs. 966 crore (net of amortization) arisen on giving impact of scheme of arrangement and amalgamations relating to slump exchange of undertaking of Odisha Cement Limited on going concern basis;	• We have evaluated that the assumptions used by the management are in line with the present trend and information available. • We obtained and read the valuation report used by the management for determining the fair value of the cash generating unit.

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

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

Key audit matters	How our audit addressed the key audit matters
(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 cost of investment made over the net assets taken in transferor companies aggregating to Rs. 21 crore has been recorded as Goodwill. 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. 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 involve 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.	• We have assessed the valuation methodology used by the valuer and its professional competence and expertise. • Made inquiries with management to understand drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used. • Performed a sensitivity analysis on certain assumptions like discount rates and capitalization rates. • We have assessed the disclosures included in Note 57(i) to the standalone Ind AS financial statements.
<u>Investment in a Subsidiary Company (Dalmia DSP Limited)</u> *(as described in note 57(ii) of the standalone Ind AS financial statements)*	
During the previous year, the Company has made investment of Rs. 150 crore in one of the company (acquired under Insolvency and Bankruptcy Code, 2016 (IBC) under a competitive bidding process). The Company has advanced Rs. 53 crore as loan to the aforesaid subsidiary company and carrying investment in unsecured optionally convertible debentures (OCDs) of subsidiary amounting to Rs. 31 crore. The net worth of the subsidiary company as on the balance sheet date is negative Rs. 8 crore 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.	• We have evaluated the business plan of aforesaid 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. • Made inquiries with management to understand drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used. • Performed a sensitivity analysis on certain assumptions like discount rates and capitalisation rates. • We have evaluated the disclosures included in Note 57(ii) to the standalone Ind AS financial statements.

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Key audit matters	How our audit addressed the key audit matters
Amount of Recoverable Deferred Tax Assets with respect to Tax Losses as Carry Forward and Unabsorbed Depreciation and Accumulation of MAT Credit Entitlement, (as described in note 16 of the standalone Ind AS financial statements)	
The Company is carrying recoverable deferred tax assets amounting to Rs. 640 crore with respect to tax losses on carry forward and unabsorbed depreciation and MAT credit entitlement aggregating to Rs. 323 crore as at March 31, 2020. 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 deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and 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 Regulation in force. The assumptions of growth in sales and EBITDA 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 controls related to the calculation and recognition of such deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT credit assets. • 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 deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and 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 income. • We have evaluated the ageing of the carry forward deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and 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 in a Subsidiary Company (Calcom Cement India Limited or Calcom), where a litigation is going on with one of the minority shareholder in the subsidiary company (*as described in note 34B and 45 of the standalone Ind AS financial statements*)	
The Company is having a litigation with one of the minority shareholders (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 crore. The Company has also advanced unsecured loans of Rs 482 crore and secured loans aggregating to Rs. 355 crore to Calcom. Calcom has accumulated losses as at balance sheet date on consolidated level aggregating to Rs. 235 crore. However, profitability of subsidiary Company has improved significantly in last three financial years. The Company is confident of	• We have been provided with a consolidated business plan of the subsidiary company, based on which, we have made inquiries with management to understand drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used. • Performed a sensitivity analysis on certain assumptions like discount rates and capitalization rates. • We have read the legal opinion. The matter is under Arbitration with Arbitral Tribunal. • We have made inquiries with the management for any updates in respect of the hearings in Tribunal. • We have evaluated the disclosures included in Note 34B and 45 to the standalone Ind AS financial statements.

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>achieving the consolidated business plan of the subsidiary company.

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.

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.</td><td></td></tr>
<tr><td colspan="2">Trade Receivables and Advances given and Subsidies / Incentives Receivables from Government (as described in note 57(iii) of the standalone Ind AS financial statements)</td></tr>
<tr><td>(a) Trade receivables and advances given

The Company has trade receivables and advances given. The Company has taken necessary steps including legal action, whenever applicable, for the recovery of these balances.

There are balances with slow recovery rate for which expected credit loss assessment has been done which involve judgement as to the recoverability and discounting of those receivables.

Based on the past experience of realization and steps taken by the Company, it is confident of the recovery of these balances in due course. Considering the amount involved of such receivables, this matter has been considered significant for audit.</td><td>• We have evaluated the various correspondence 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, whenever applicable.
• We have evaluated the underlying documents against which these amounts are paid/ accrued as per eligibility criteria.
• Made inquiries with management to understand assumptions of the expected loss assessment like time period and recoverability assessment.
• We have obtained the representation from the management.
• We have assessed the adequacy of the disclosures included in Note 57(iii) to the standalone Ind AS financial statements.</td></tr>
<tr><td>(b) Subsidies/Incentives receivables from government

The Company has subsidies receivables against various schemes of the state / central government. The Company has recognized such subsidies receivables as per the various provisions of the schemes.

The amount of such subsidies are re-verified at the various levels by the government authorities and funds are released according to the availability of the overall funds for disposal with these authorities.</td><td>• We assessed that the subsidies / incentives are recognized by the Company and checked the compliance with the eligibility criteria.
• We have evaluated the process of estimation of time period of realization by the management.
• We have tested the documentation on sample basis regarding the procedural delays in realizing the said incentives / subsidies.
• We have assessed the methodology applied by the Company to comply with the requirements of Ind AS-20 and Ind AS-39.</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matters
Therefore, the above process requires a period of time for which management uses assumptions in respect of discount rate and estimated time for receipt of funds from government as specified in Note 29 of the standalone Ind AS financial statement. The Company has accounted such incentives/subsidies receivables at fair value based on the expected period of realization using adjusted incremental borrowings rate. Such expected period has been estimated considering the past trend of the realization. Considering, the nature and amount of receivables and estimating the expected time period of realization of receivables, which requires application of significant judgement to record them at fair value, we consider this as a significant key audit matter from the perspective of our audit.	• We have evaluated the design and tested the operating effectiveness of controls around the measurement of the said incentives / subsidies. We have tested arithmetical accuracy by performing recalculation procedure of the said incentives / subsidies where applicable. • We have assessed the adequacy of the disclosures included in Note 57(iii) to the standalone Ind AS financial statements.

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 such 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,

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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 with reference to financial statements 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

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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, 2020 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.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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;

   (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:

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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 were no amounts which were 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 No.: 301003E/E300005

per **Anil Gupta**
Partner
Membership No.: 087921
UDIN: 20087921AAAABN2948
New Delhi
June 12, 2020

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

per **Sunil Wahal**
Partner
Membership No.: 087294
UDIN: 20087294AAAADD9600
New Delhi
June_12, 2020

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

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

Annexure 1 referred to in paragraph 1 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 program 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 crore 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 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 (Refer Note 2A(i) and 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, 2019) 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 loans re-payable on demand as agreed, to one party covered in the register maintained under Section 189 of the Act. 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 party 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.

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

(iv) In our opinion and according to the information and explanations given to us, provisions of 186 of the Act in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company. According to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of Section 185 of the Act are applicable and hence not commented upon.

(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.

(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. (crore)	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	2012-2013	Commissioner Appeals Customs, Kolkata
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
Bihar Sales Tax Act	Sales Tax Demand	0.81	2013-14, 2014-15	Joint Commissioner of Commercial Tax (Appeal) Patna

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

Name of the statute	Nature of dues	Amount Rs. (crore)	Period to which the amount relates	Forum where dispute is pending
Bihar Sales Tax Act	Sales Tax Demand	0.58	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 civil structure, foundation etc.	5.04	September 2004 to February 2006	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	1.74	December 2012 to August, 2013 October 2014 to March 2015	High Court, Vijayawada
Central Excise Act, 1944	Denial of Input & Service Tax Credit	9.89	October 2009 to March 2010	Custom Excise & Service Tax Appellate Tribunal, Hyderabad
Central Excise Act, 1944	Excise Duty and Service tax Demand	22.05	2008-09 to 2016-17	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Evasion of Service tax in course of construction of the Railway Siding	0.08	July 2012 to December 2014	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Denial of CAS-4 method of valuation	0.25	2015-16 and 2016-17	Commissioner (Appeals) Bhubaneshwar (Odisha)
Central Excise Act, 1944	Denial of Cenvat credit on part of silo feeding arrangement	0.53	2012-13 to 2016-17	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Denial of Cenvat credit of service tax	17.83	2014-15 to 2016-17	The Commissioner of Excise & Service Tax Appellate Tribunal, Kolkata

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Name of the statute	Nature of dues	Amount Rs. (crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Denial of Cenvat credit of service tax	0.14	2016-17	Commissioner (Appeals), Bhubaneswar (Odisha)
Central Excise Act, 1944	Service Tax Demand	0.19	2010-11	The Commissioner of Excise & Service Tax, Kolkata
Central Excise Act, 1944	Service Tax Demand	0.17	2016-17 to 2017-18	Commissioner (Appeals), Bhubaneswar (Odisha)
Central Excise Act, 1944	Admissibility of Modvat	0.10	1990	High Court, Orrisa
Central Sales Tax Act, 1956	Demand raised towards non-submission of Declaration Forms OET	1.23	2015-16 to 2017-18	Addl. CCT (Appeal), Rourkela
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	0.13	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	3.94	April 2012 to March 2017	High Court, Kolkata
West Bengal Value Added Tax Act, 2003	Entry Tax	1.78	2016-17	Joint Commissioner of Commercial Tax, Kolkata
West Bengal Value Added Tax Act, 2003	Non-Submission of Declaration	0.03	2016-17	Additional Commissioner of Commercial Tax, Kolkata

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

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Name of the statute	Nature of dues	Amount Rs. (crore)	Period to which the amount relates	Forum where dispute is pending
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 September 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	0.47	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), 2010-11 2012-13 to June 2017	High Court, Odisha
Orissa Sales Tax Act	Entry Tax and Sales Tax Demand	2.95	2005-06 (OVAT) 2006-07 (ET)	Sales Tax Tribunal, Odisha
Orissa Sales Tax Act	Entry Tax and Sales Tax Demand	0.45	2010-11, 2013-14 to September 2016	High Court, Orissa
Orissa Sales Tax Act	Entry Tax Demand	0.09	2005-06 and 2013-14 to September 2015	Joint Commissioner of Commercial Tax, Odisha
Orissa Sales Tax Act	Entry Tax Demand	0.93	2013-14 to September 2015	Additional Commissioner of Commercial Tax (Appeals), Odisha
Orissa Sales Tax Act	Sales Tax Demand	0.25	October 2015 to June 2017	Additional Commissioner of Commercial Tax (Appeals), Rourkela
Tamil Nadu General Sales Tax Act, 1959	Demand for sales tax on packing charges	0.29	April 1975 to March 1977	Supreme Court

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Name of the statute	Nature of dues	Amount Rs. (crore)	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	0.02	April 1989 to March 1990	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Denial of concessional rate benefit on certain items purchased through Form XVII	0.01	April 1990 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	0.15	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	0.05	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

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Name of the statute	Nature of dues	Amount Rs. (crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Wrong Availment of CENVAT Credit of Service Tax Paid on Sales Commission.	3.41	April 2013 to March 2016	Additional Commissioner CGST & Central Excise, Ranchi
Jharkhand Value Added Tax Act, 2005	Jharkhand Value Added Tax Act, 2005	0.12	April 2017 to March 2018	Deputy. Commissioner of Commercial Tax, Bokaro
Central Excise Act,1944	Short Payment of Excise Duty and Service Tax and Wrong Availment of CENVAT Credit	0.71	April 2015 to September 2015 April 2016 to March 2018	Commissioner (A), Guwahati
Central Excise Act,1944	Denial of CENVAT Credit on quantity used in manufacturing of final product by siting moisture/invisible loss	8.24	April 2013 to March 2016	The Company is in the process of filing appeal with CESTAT, Kolkata
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, New Delhi

(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 utilized for the purpose for which term loans were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, 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) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(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.

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(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) of the Order 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.

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

per **Anil Gupta**
Partner
Membership No.: 087921
UDIN: 20087921AAAABN2948
New Delhi
June 12, 2020

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

per **Sunil Wahal**
Partner
Membership No.: 087294
UDIN: 20087294AAAADD9600
New Delhi
June 12, 2020

Annexure 2 referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" 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, 2020, 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 authorizations of management and directors of the company; and (3) 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 With Reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, 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.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Anil Gupta**
Partner
Membership No.: 087921
UDIN: 20087921AAAABN2948
New Delhi
June 12, 2020

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

per **Sunil Wahal**
Partner
Membership No.: 087294
UDIN: 20087294AAAADD9600
New Delhi
June 12, 2020

S.R. BATLIBOI & CO. LLP NEW DELHI

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

Dalmia Cement (Bharat) Limited
Balance Sheet as at March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	Notes	As at March 31, 2020	Rs. As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2A	7,205	7,662
Capital work-in-progress	2B	1,594	478
Investment properties	3	0	0
Goodwill	4A	987	1,369
Other intangible assets	4B	2,749	2,866
Right of use assets	32	108	-
Intangible assets under development		36	14
Biological assets other than bearer plants	5	0	0
Financial assets			
(i) Investments	6(i)	899	858
(ii) Loans	6(ii)	383	441
(iii) Other financial assets	6(iii)	37	298
Other non-current assets	7	218	139
		14,016	14,141
Current assets			
Inventories	8	631	892
Financial assets			
(i) Investments	9(i)	1,640	984
(ii) Trade receivables	9(ii)	345	483
(iii) Cash and cash equivalents	9(iii)	93	212
(iv) Bank balances other than (iii) above	9(iv)	68	180
(v) Loans	9(v)	689	495
(vi) Other financial assets	9(vi)	537	469
Other current assets	10	382	320
Assets held for sale	11	2	1
		4,587	4,036
Total assets		18,603	18,177
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	314	314
Other equity	13	8,854	8,851
Total equity		9,168	9,165
Liabilities			
Non- current liabilities			
Financial liabilities:			
(i) Borrowings	14(i)	3,479	3,841
(ii) Lease liabilities	32	44	-
(iii) Other financial liabilities	14(ii)	2	1
Provisions	15	95	93
Deferred tax liabilities (net)	16	1,419	1,354
Government grants	17	77	54
		5,116	5,343
Current liabilities			
Financial liabilities:			
(i) Borrowings	18(i)	1,230	890
(ii) Lease liabilities	32	32	-
(iii) Trade payables	18(ii)		
- total outstanding dues of micro enterprises and small enterprises		12	6
- total outstanding dues of creditors other than micro enterprises and small enterprises		661	743
(iv) Other financial liabilities	18(iii)	1,839	1,504
Government grants	17	7	6
Other current liabilities	19	422	457
Current tax liabilities (net)		71	26
Provisions	20	45	37
		4,319	3,669
Total liabilities		9,435	9,012
Total equity and liabilities		18,603	18,177
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.: 087921
Place : New Delhi
Date : June 12, 2020

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

per Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date : June 12, 2020

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

S.R. BATLIBOI & CO. LLP
NEW DELHI

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

Dalmia Cement (Bharat) Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	Notes	Year ended March 31, 2020	Rs. Year ended March 31, 2019
Income			
Revenue from operations	21	8,349	8,312
Other income	22	217	278
Total income		8,566	8,590
Expenses			
Cost of raw materials consumed	23	1,438	1,580
Purchase of stock in trade		28	117
Change in inventories of finished goods, work-in-progress and stock in trade	24	29	(147)
Employee benefit expenses	25	524	515
Finance costs:			
- Interest cost	26(a)	354	456
- Other finance cost (including foreign currency fluctuation)	26(b)	51	38
Foreign currency fluctuation on borrowings etc. (net)		24	(9)
Depreciation and amortisation expense	2A(vi)	1,332	1,226
Power and fuel	49	1,464	1,570
Freight charges:		-	-
- on finished goods		1,500	1,470
- on internal clinker transfer		153	167
Other expenses	27	1,433	1,508
Total expenses		8,331	8,491
Profit before tax		235	99
Tax expense (refer note 16)			
Current tax		75	56
Deferred tax charge/ (credit)		42	(48)
Tax adjustments for earlier years		21	10
Total tax expense		138	18
Profit after tax		97	81
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gains/ (loss) on defined benefit plan		(6)	(15)
- Net (loss) on equity instruments through other comprehensive income		(0)	-
- Income tax credit relating to above item		2	5
Other comprehensive income for the year, net of tax		(4)	(10)
Total comprehensive income for the year		93	71
Earnings per Share	28		
Basic and Diluted Earnings Per Share (in Rupees) [Nominal Value of Share Rs.10 (Rs.10) each]		3.09	2.54
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.: 087921

Place : New Delhi
Date : June 12, 2020

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

per Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 12, 2020

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

S.R. BATLIBOI & CO. LLP NEW DELHI

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

Dalmia Cement (Bharat) Limited
Cash Flow Statement for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

(Rs.)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities			
Profit before tax		235	89
Adjustments:			
Depreciation and amortisation	2A(vi)	1,332	1,226
Impairment allowance (net)	27	18	1
Bad debts/ advances written off	27	2	3
Exchange difference (net)		73	29
Interest expense (including other borrowing costs)	28	357	465
Government grant	21	-	(12)
Interest (income)	22	(191)	(213)
Dividend (income)	22	-	(2)
Share-based payment expense	25	1	3
Change of fair value of investments measured at FVTPL	22	(7)	108
(Profit) on sale of current investments (net)	22	(17)	(166)
(Profit) on sale of property, plant and equipment (net)	22	(1)	(1)
Operating profit before working capital changes		1,802	1,540
Working capital adjustments:			
(Increase)/ decrease in inventories		61	(197)
(Increase)/ decrease in trade receivables		115	(37)
Decrease in financial and other assets		81	430
(Decrease) in trade and other payables		(25)	(40)
(Decrease)/ increase in provisions and government grants		(4)	31
Cash generated from operations		2,030	1,727
Income tax refund/ (paid) (net)		(34)	37
Net cash flow from operating activities		1,996	1,764
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(1,281)	(814)
Proceeds from sale of property, plant and equipment		1	5
Purchase of investment in subsidiaries		(2)	(267)
Sale of investment in associate		-	0
(Purchase) of/ proceeds from sale of current investments (net)		(616)	1,224
(Investment in)/ maturity of bank deposits (having original maturity of more than three months)		111	(170)
Loan and deposit given for acquisition of a body corporate		-	(49)
Refund of amount from a body corporate		-	92
Loans given to subsidiaries		(1,032)	(669)
Loans repaid by subsidiaries		850	374
Loans repaid - others		-	3
Dividend received		-	2
Interest received		234	146
Net cash flow (used in) investing activities		(1,714)	(121)
C. Cash flow from financing activities			
Proceeds from long term borrowings		982	256
(Repayment) of long term borrowings		(1,114)	(1,215)
Availment of short term foreign currency loan		584	369
(Repayment) of short term foreign currency loan		(499)	(547)
Proceeds from other short term borrowings (net)		242	12
Payment of principal portion of lease liabilities		(36)	-
Interest paid		(448)	(548)
Dividends paid (including dividend distribution tax)	13	(93)	(40)
Net cash flow (used in) financing activities		(401)	(1,711)
Net (decrease) in cash and cash equivalents (A+B+C)		(119)	(68)
Cash and cash equivalents at the beginning of the year		212	280
Cash and cash equivalents at the end of the year	9(iii)	93	212

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'.

(b) Outstanding loan given to subsidiary companies aggregating to Rs. 59 has been converted into investment in optionally convertible debentures during the year (refer note 6(i)(a)).

(c) Changes in liabilities arising from financing activities:

Particulars	As at April 1, 2019	Cash flows	New leases	Fair value changes	Foreign exchange movement	As at March 31, 2020
Lease liabilities (refer note 32)	86	(36)	26	-	-	76
Non current borrowings	4,760	(132)	-	(21)	58	4,665
Current borrowings (refer note 18(ii))	890	308	-	-	32	1,230

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(ii))	1,033	(166)	-	23	890

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 : June 12, 2020

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

per Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 12, 2020

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. A23618

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

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

Dalmia Cement (Bharat) Limited
Statement of changes in equity for the year ended March 31, 2020
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 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
Issue of share capital	-	-
As at March 31, 2020	31,40,45,267	314

* During the previous year, Company had 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 Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench.

b. Share capital suspense

Share capital suspense	Rs.
As at April 1, 2018 *	6,200
Change during the year	(6,200)
As at March 31, 2019	-
Change during the year	-
As at March 31, 2020	-

* Represented 79,794,080 number of equity shares of Rs. 10/- each fully paid up at a premium of Rs. 767/- per share, pending to be allotted to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench. These shares were allotted during the financial year 2018-19 and an amount of Rs. 80 was transferred to equity share capital and Rs. 6,120 to Securities premium account.

c. Other equity

Rs.

Particulars	Reserve and surplus				Other comprehensive income	Total other equity
	Securities premium	Debenture redemption reserve	Share based payment reserve	Retained earnings	Equity instruments through OCI	
As at April 1, 2018	443	285	13	1,956	-	2,697
Profit for the year	-	-	-	81	-	81
Other comprehensive income (net of tax)	-	-	-	(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
As at April 1, 2019	6,563	250	16	2,022	-	8,851
Profit for the year	-	-	-	97	-	97
Other comprehensive income (net of tax)	-	-	-	(4)	(0)	(4)
Total comprehensive income for the year	-	-	-	93	(0)	93
Transfer to debenture redemption reserve	-	-	-	-	-	-
Debenture redemption reserve released during the year	-	(195)	-	195	-	-
Transfer to retained earnings on disposal of equity instruments through OCI	-	-	-	(0)	0	-
Dividends paid (including dividend distribution tax) (refer note 13)	-	-	-	(93)	-	(93)
Employee stock option expense (refer note 31)	-	-	3	-	-	3
As at March 31, 2020	6,563	55	19	2,217	-	8,854

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 : June 12, 2020

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

per Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date : June 12, 2020

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

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

S.S. KOTHARI MEHTA & CO. 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.

The financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on June 12, 2020.

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;
- Defined benefit plans - plan assets measured at fair value [refer accounting policy 1B(II)(r)];
- Share based payments [refer accounting policy 1B(II)(s)]; and
- Property, plant and equipment, referred in accounting policy 1B(II)(j), at fair value as on the transition date i.e. April 1, 2015.

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 had 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.

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.

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

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 gain/ loss on derivative contracts relating to borrowings are accounted for and disclosed under 'finance cost'.

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).

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

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

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.

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.

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

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

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 with customers is recognised when control of the goods or 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 has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

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 (including sale of scrap included under other operating revenue)
Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods. Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Company considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 to 90 days.

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 to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

Rebates are offset against amounts payable by the customer.

The Company follows the 'most expected value' method in estimating the amount of variable consideration. The Company estimates the variable consideration based on an analysis of accumulated historical experience.

Non-cash incentives
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 over the period of time i.e. 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 auxillary services are recognised at the point in time i.e. 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 "other income" in the statement of profit and loss.

Dividend
Dividend income is recognised 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 recognised 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 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 recognised 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 'other 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. 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.

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

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.
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

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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 are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. 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 are presented separately from other items 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. Refer to significant accounting judgements, estimates and assumptions (note 29) and provisions (note 41) for further information about the recorded decommissioning provision.

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 capitalised 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 the asset, including the expenditure incurred on trial runs (net of trial run receipts, if any), are capitalised up to the date asset is ready for its intended use.

Depreciation charge
Depreciation on property, plant and equipment is provided on a straight-line basis, except for assets of manufacturing facility situated at Lumshnong Meghalaya wherein depreciation is provided on a written down value method with effect from July 1, 2019, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/ assessments.

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

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

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

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 depreciated over their estimated commercial life based on the unit of production method. Freehold non-mining land is not depreciated.

The Company has separately assessed the useful life of major components of plant and equipment ranging from 5 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 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 statement of profit and loss 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.

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.

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

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 as per Scheme of Arrangement and Amalgamation (Scheme) approved by NCLTs.

a) Goodwill arose 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 is being amortised in accordance with Scheme over a period of 4 years.

b) Goodwill arose 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 appointed date January 1, 2015 in accordance with Scheme approved by NCLT). 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 above mentioned mining rights as on transition date to Ind AS i.e. April 1, 2015 has been considered as deemed cost.

c) Mining rights include amounts paid for securing mining rights and are amortised over their estimated commercial life based on the unit of production method.

Expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work in progress or intangible assets under development, as the case may be.

(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.

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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 amortisation 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 on a straight line basis over its useful life.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

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.

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n. **Leases**

Policy applicable with effect from April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases (refer note 1(B)(ii)(n)(iii) below). The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Leasehold land is amortised over a period of lease.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less, except in case of leases with related party. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

Policy relating to leases till March 31, 2019

Where the Company is lessee

The lease was classified at the inception date as a finance lease or an operating lease. The lease that transfers substantially all the risks and rewards incidental to ownership to the Company was classified as a finance lease.

Finance leases were 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 were

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NEW DELHI
CHARTERED ACCOUNTANTS

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 were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they were incurred.

The leased asset was depreciated over the useful life of the asset. In case there was no reasonable certainty that the Company would obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were 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 was 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, fuels 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 fuels 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 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 recognised in the statement of profit and loss.

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

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

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 recognised 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 recognise 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 recognises 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 recognised 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 recognised 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

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

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

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 of 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 cost of equity-settled transactions is determined by the fair value (obtained by the holding company being the administrator of the scheme) 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 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.

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.

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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
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. 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:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)
A 'financial asset' 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 other 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 receivables, loans and other receivables.

Financial assets at FVTOCI (debt instruments)
A 'financial asset' 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 recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Company has not designated any financial asset (debt instruments) as at FVTOCI.

Financial assets designated at fair value through OCI (equity instruments)
On initial recognition of an equity instrument that is not held for trading, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

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

Subsequently, these financial assets are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Gains and losses on these financial assets are never recycled from other comprehensive income to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Dividends on these investments are recognised as 'other income' in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Debt instrument, which does not meet the criteria for categorisation 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, bonds and derivative instruments as at FVTPL.

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 115.

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

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

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

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. Interim dividends are recognised as a liability on the date of declaration by the Company's Board of directors.

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

C. Recent accounting pronouncements

(i) New and amended standards

The Company applied Ind AS 116 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is 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/ notified.

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous year figures.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019:

- Right-of -use assets of Rs. 118 were recognised and presented separately in the balance sheet. This includes the lease assets recognised previously under finance leases of Rs. 33 that were reclassified from property, plant and equipment.
- Additional lease liabilities of Rs. 85 were recognised.
- Obligations under finance lease of Rs. 1 have been reclassified to lease liabilities.

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

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

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

On application of Ind AS 116, in the statement of profit and loss for the current year, operating lease expenses has changed from rent (included under 'Employee benefits expenses' and 'Other expenses') to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability.

Consequent to above, there is a reduction in rent expense by Rs. 44, increase in interest expense by Rs. 8 and increase in depreciation charge by Rs. 39.

The adoption of Ind AS 116 did not have any significant impact on the profit and earnings per share of the current year.

The Company has lease contracts for various items of buildings (godowns, office and residential premises), vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to note 1B(ii)(n) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to note 1B(ii)(n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	
Operating lease commitments as at March 31, 2019 (Rs.)	7
Weighted average incremental borrowing rate as at April 1, 2019	10.00%
Discounted operating lease commitments as at April 1, 2019 (Rs.)	5
Less:	
Commitments relating to short-term leases (Rs.)	-
Commitments relating to leases of low-value assets (Rs.)	-
Add:	
Commitments relating to leases previously classified as finance leases (Rs.)	1
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019 (Rs.)	80
Lease liabilities as at April 1, 2019 (Rs.)	**86**

(b) Amendment to existing issued Ind AS

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments
ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement
iii) Amendment to Ind AS 12, Income Taxes
iv) Amendment to Ind AS 23, Borrowing costs
v) Amendments to Ind AS 109, Financial Instruments: Prepayment Features with Negative Compensation
vi) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests in associates and joint ventures
vii) Ind AS 103, Business Combinations
viii) Ind AS 111 Joint Arrangements

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

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

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

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

2A. Property, plant and equipment

Rs.

Deemed Cost * / Cost	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
As at April 1, 2018	923	25	983	7,886	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
Additions	56	-	18	236	2	3	12	10	337
Disposals	-	-	(1)	(71)	(0)	(1)	(1)	-	(74)
Exchange difference	-	-	-	2	-	-	-	-	2
Adjustment	-	-	(1)	4	-	(2)	(1)	-	-
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	(37)	-	-	-	-	-	-	(37)
As at March 31, 2020	1,021	-	1,020	7,886	20	22	57	63	10,089
Depreciation									
As at April 1, 2018	16	1	163	1,415	4	8	19	24	1,650
Charge for the year	9	-	64	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
Charge for the year	10	-	64	671	2	3	9	1	760
Disposals	-	-	(1)	(68)	(0)	(1)	(1)	-	(71)
Adjustment	-	-	(0)	2	(0)	(2)	(0)	-	-
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	(4)	-	-	-	-	-	-	(4)
As at March 31, 2020	35	-	280	2,488	8	10	34	29	2,884
Net block									
As at March 31, 2020	986	-	740	5,398	12	12	23	34	7,205
As at March 31, 2019	940	33	787	5,832	12	12	21	25	7,662

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

Notes:

(i). Registration of freehold land amounting to Rs. 13 (March 31, 2019 : Rs. 13) 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 (transferred 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. 5 (March 31, 2019: Rs. 7) and accumulated depreciation of Rs. 4 (March 31, 2019: Rs. 6) and (ii) Vehicles having gross block of Rs. Nil (March 31, 2019: Rs. 0) and accumulated depreciation of Rs. Nil (March 31, 2019: Rs. 0) and transferred to 'Assets held for sale'.
(vi). Reconciliation of depreciation and amortisation expense:

Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation expense on:		
Property, plant and equipment (PPE)	760	670
Goodwill	402	420
Other intangible assets	132	137
Right of use assets (refer note 32)	40	-
As per PPE, intangible assets and Right of use assets Schedule	1,334	1,227
Less: Cost allocated to capital work-in-progress (refer note 44)	(2)	(1)
As per statement of profit and loss	1,332	1,226

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

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

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(vii). Adjustment in 'Leasehold land' during the previous year represented 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, 2020**	**As at March 31, 2019**
Opening balance	478	150
Additions during the year	1,343	521
Capitalised during the year	(227)	(192)
Transfer to intangible assets under development	-	(1)
Closing balance *	**1,594**	**478**

* Refer note 54.

Notes :

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

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

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

3. Investment properties

Rs.

	Land (Freehold)	Total
Deemed Cost *		
As at April 1, 2018	0	0
Additions	-	-
Disposals	-	-
As at March 31, 2019	0	0
Additions	-	-
Disposals	-	-
As at March 31, 2020	0	0
Depreciation		
As at April 1, 2018	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Net block		
As at March 31, 2020	0	0
As at March 31, 2019	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, 2020, the fair value of the properties is Rs. 3 (March 31, 2019: Rs. 3). 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.

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

SRB

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

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

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, 2018	3,087	1,973	1,174	279	12	3,438
Additions	-	-	0	-	2	2
Adjustment	-	-	(11)	-	-	(11)
As at March 31, 2019	3,087	1,973	1,163	279	14	3,429
Additions	-	-	8	-	7	15
Disposals	-	-	-	-	(0)	(0)
As at March 31, 2020	3,087	1,973	1,171	279	21	3,444
Amortisation						
As at April 1, 2018	1,278	230	129	63	7	429
Charge for the year	420	76	49	9	3	137
Adjustment	-	-	(3)	-	-	(3)
As at March 31, 2019	1,698	306	175	72	10	563
Charge for the year	402	76	44	9	3	132
Disposals	-	-	-	-	(0)	(0)
As at March 31, 2020	2,100	382	219	81	13	695
Net block						
As at March 31, 2020	987	1,591	952	198	8	2,749
As at March 31, 2019	1,389	1,667	988	207	4	2,866

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

Net block

Rs.

	As at March 31, 2020	As at March 31, 2019
Goodwill	987	1,389
Other intangible assets	2,749	2,866
	3,736	4,255

Note:

Adjustment in 'Mining rights' during the previous year represented 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. 987 (March 31, 2019: Rs. 1,389) 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 16.35% (March 31, 2019: 16.94%) and cash flows beyond the five-year period are extrapolated using a 4.00% growth rate (March 31, 2019: 4.00%) 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 0% 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 20.50% 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 22.00% would result in value in use being lower than carrying amount of the assets.

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

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

(b) Amortisation of recognised goodwill
The Company had accounted for (i) amalgamation of Adwetha Cement Holdings Limited in accordance with requirement of Accounting Standard (AS)- 14 "Accounting for Amalgamations" and (ii) slump exchange of all the assets and liabilities forming part of Undertakings of Odisha Cement Limited ('ODCL') (renamed to Dalmia Bharat Limited) to the Company on a going concern basis based on allocation report prepared in accordance with AS- 10, notified under Section 133 of the Companies Act, 2013, as referred to in various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s).

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 such goodwill, profit before tax for the year ended March 31, 2020 is lower by Rs. 402^^ (March 31, 2019 : Rs. 420).

^^ includes Rs. 32 (March 31, 2019: 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 with effect from January 1, 2019.

$ 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 was assigned to these mining rights.

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

Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

5. Biological assets other than bearer plants

Rs.

Cost	Livestock	Total
As at April 1, 2018	0	0
Additions	0	0
Disposals	-	-
As at March 31, 2019	0	0
Additions	-	-
Disposals	(0)	(0)
As at March 31, 2020	0	0
Depreciation		
As at April 1, 2018	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Net block		
As at March 31, 2020	0	0
As at March 31, 2019	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.

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

SRB

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
6. Financial assets		
(i) Investments		
A. Investment in equity shares - at cost		
Subsidiary companies		
Unquoted		
272,677,725 (March 31, 2019: 272,677,725) Shares of Rs. 10/- each fully paid up in Calcom Cement India Limited	260	260
150,000,000 (March 31, 2019: 150,000,000) Shares of Rs. 10/- each fully paid up in Dalmia DSP Limited	150	150
100,000 (March 31, 2019: 100,000) Shares of USD 1/- each fully paid up in OCL Global Limited	39	39
695,500 (March 31, 2019: 695,500) Shares of Rs. 10/- each fully paid up in Dalmia Minerals & Properties Limited	52	52
18,817,500 (March 31, 2019: 18,817,500) Shares of Rs. 10/- each fully paid up in Alsthom Industries Limited	19	19
940,000 (March 31, 2019: 940,000) Shares of Rs. 10/- each fully paid up in Golden Hills Resort Private Limited	5	5
50,000 (March 31, 2019: 50,000) Shares of Rs. 10/- each fully paid up in Ishita Properties Limited	1	1
1,390,000 (March 31, 2019: 1,390,000) Shares of Rs. 10/- each fully paid up in D.I. Properties Limited	3	3
281,000 (March 31, 2019: 281,000) Shares of Rs. 10/- each fully paid up in Geetee Estates Limited	6	6
1,021,000 (March 31, 2019: 1,021,000) Shares of Rs. 10/- each fully paid up in Hemshila Properties Limited	6	6
454,500 (March 31, 2019: 454,500) Shares of Rs. 10/- each fully paid up in Jayevijay Agro Farms Private Limited	5	5
10,000 (March 31, 2019: 10,000) Shares of Rs. 10/- each fully paid up in Rajputana Properties Private Limited	0	0
1,304,000 (March 31, 2019: 1,304,000) Shares of Rs. 10/- each fully paid up in Shri Rangam Properties Limited	9	9
70,000 (March 31, 2019: 50,000) Shares of Rs. 10/- each fully paid up in Dalmia Bharat Refractories Limited (refer note (a) below)	2	0
259,400 (March 31, 2019: 259,400) Shares of Rs. 10/- each fully paid up in Sri Madhusudana Mines & Properties Limited	6	6
725,000 (March 31, 2019: 725,000) Shares of Rs. 10/- each fully paid up in Sri Shanmugha Mines & Minerals Limited	8	8
199,000 (March 31, 2019: 199,000) Shares of Rs. 10/- each fully paid up in Sri Subramanya Mines & Minerals Limited	5	5
305,700 (March 31, 2019: 305,700) Shares of Rs. 10/- each fully paid up in Sri Swaminatha Mines & Minerals Limited	3	3
285,500 (March 31, 2019: 285,500) Shares of Rs. 10/- each fully paid up in Sri Trivikrama Mines & Properties Limited	7	7
98,600 (March 31, 2019: 98,600) Shares of Rs. 10/- each fully paid up in Bangaru Kamakshiamman Agro Farms Private Limited	6	6
48,100 (March 31, 2019: 48,100) Shares of Rs. 10/- each fully paid up in Chandrasekara Agro Farms Private Limited	3	3
10,000 (March 31, 2019: 10,000) Shares of Rs. 10/- each fully paid up in Hopco Industries Limited	0	0
	595	593
Joint ventures - unquoted		
1,836,500 (March 31, 2019: 1,836,500) Shares of Rs.10/- each fully paid up in Khappa Coal Company Private Limited (refer note (b) below)	2	2
Less : Impairment allowance	(2)	(2)
	-	-
7,348,000 (March 31, 2019: 7,348,000) Shares of Rs.10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited (refer note (c) below)	7	7
Less : Impairment allowance	(3)	(3)
	4	4
Sub-total (A)	599	597

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

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

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

Rs.

	As at March 31, 2020	As at March 31, 2019
B. Investment in equity shares - at fair value through OCI		
Others - unquoted		
Nil (March 31, 2019: 449) Shares of Rs.10/- each fully paid up in Smarterhealth Techserve Private Limited	-	0
Nil (March 31, 2019: 374) Shares of Rs.10/- each fully paid up in Pumpcharge Internet Private Limited	-	0
Nil (March 31, 2019: 449) Shares of Rs.10/- each fully paid up in Exchange 4 Solar Private Limited	-	0
Nil (March 31, 2019: 145) Shares of Rs.10/- each fully paid up in Khetify Solutions Private Limited	-	0
Sub-total (B)	-	**0**
C. Investment in debentures (unquoted) - at cost		
5,900 (March 31, 2019: 5,900) zero coupon optionally redeemable convertible debentures of Rs. 1,00,000/- each in Saroj Sunrise Private Limited (refer note (d) below)	59	59
12 (March 31, 2019: 12) 8% non convertible secured debentures of Rs. 100/- each fully paid up in Indian Chamber of Commerce	0	0
2 (March 31, 2019: 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. Investment in debentures (unquoted) - at fair value through profit or loss (refer note (e) below)		
Subsidiary companies		
44,90,070 (March 31, 2019: Nil) 1% unsecured optionally convertible debentures of Rs. 100/- each in Dalmia DSP Limited	31	-
14,00,000 (March 31, 2019: Nil) 1% unsecured optionally convertible debentures of Rs. 100/- each in Alsthom Industries Limited	10	-
Sub-total (D)	**41**	-
E. Others (unquoted) - at cost		
50 (March 31, 2019: 50) units of Rs.100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
Sub-total (E)	0	0
Total (A+B+C+D+E)	899	856
Aggregate amount of unquoted investments	899	856
Aggregate amount of impairment in value of investments	5	5

Notes:

a) During the year, Company has further invested Rs. 2 (March 31, 2019: Rs. Nil) in equity shares of Rs. 10 each issued by Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines and Minerals Limited), a subsidiary company.

b) 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 in earlier years has provided for its exposure in its joint venture viz. Khappa Coal Company Private Limited' amounting to Rs. 6.

c) In respect of license granted for captive mining block at Radhikapur mines, a joint venture company viz. Radhikapur (West) Coal Mining Private Limited was incorporated on March 29, 2010 in which the Company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.70%. The Company had invested Rs. 7 (March 31, 2019: Rs.7) in equity shares of its joint venture which includes Rs. 4 (March 31, 2019: 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, 2019: Rs. 3) was made in earlier years in the financial statements.

d) 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)).

e) During the year, Company has invested in unsecured optionally convertible debentures (OCDs) of Rs. 100 each issued by Alsthom Industries Limited and Dalmia DSP Limited, subsidiary companies, aggregating to Rs. 14 and Rs. 45 respectively, against the extinguishment of unsecured inter corporate deposits given to these subsidiary companies from time to time. These OCDs carry interest @ 1% p.a. These investments have been carried at fair value through profit and loss as per Ind AS 109.

Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	As at March 31, 2020	As at March 31, 2019
(ii) Loans (Unsecured, unless otherwise stated and considered good)		
Loans and advances to employees	11	8
Loans to a related party - Secured (refer note 35) */ **	336	401
Security deposits	36	32
	383	441

Rs.

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.

* The Company during the current year and previous year, has taken over loans (including interest accrued) aggregating to Rs. 34 (March 31, 2019: Rs. 471) availed by its subsidiary company namely Calcom Cement India Limited (Calcom) and step down subsidiary companies namely Vinay Cement Limited (VCL) and RCL Cements Limited (RCL) 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 Calcom, VCL and RCL towards Company as was the case with those respective banks and financial institution. The outstanding amount of secured loan of Rs. 355 as at March 31, 2020 (March 31, 2019: Rs. 442) is disclosed in Non-current and Current loans.

** Terms of security:
(a) Rs. 302 (March 31, 2019: Rs. 384) is secured by way of first pari-passu charge on entire (i) property, plant and equipment (immovable and movable) and (ii) intangible assets (both present and future) of Calcom 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 Calcom, both present and future, provided ranking prior to the existing lenders on the cash flows of Calcom towards repayment. Also, secured by way of pledge of shares of Calcom held by other shareholder i.e. Bawri Group (15.92% stake after entry of Dalmia Cement).

(b) Rs. 53 (March 31, 2019: Rs. 58) 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 Calcom. Further, to be secured by second pari-passu charge on entire current assets of Calcom, both present and future.

	As at March 31, 2020	As at March 31, 2019
(iii) Other financial assets (Unsecured, considered good unless otherwise stated)		
Subsidies receivable	1	221
Incentives receivable	18	16
Advance against share application money (Considered doubtful Rs. 4 (March 31, 2019: Rs. 4))	4	4
Advance for warrants (refer note 45(ii))	0	0
Deposit with banks having remaining maturity of more than twelve months *	13	11
Interest receivable	0	0
Derivative instruments at fair value through profit and loss		
Foreign currency option contracts	5	48
	41	300
Less: Impairment allowance (allowance for doubtful advances)	(4)	(4)
	37	296

* Includes Rs. 13 (March 31, 2019 : Rs. 11), 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	11	8
Loans - related party	336	401
Security deposits	36	32
Subsidies receivable	1	221
Incentive receivable	18	16
Advance for warrants	0	0
Deposit with banks having remaining maturity of more than twelve months	13	11
Interest receivable	0	0
	415	689
Break up of financial assets carried at fair value through profit or loss		
Investment in optionally convertible debentures	41	-
Foreign currency option contracts	5	48
	46	48
Break up of financial assets carried at fair value through OCI		
Investment in equity shares	-	0
	-	0

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

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
7. Other non-current assets (Unsecured and considered good, unless otherwise stated)		
Capital advances		
- Secured, considered good *	16	89
- Unsecured, considered good	143	197
- Doubtful	1	1
Advances other than capital advances		
Prepayments	14	8
Deposits with government departments and other authorities (Considered doubtful Rs. 1 (March 31, 2019: Rs. Nil))	46	45
	220	340
Less: Impairment allowance (allowance for doubtful advances)	(2)	(1)
	218	339

* secured against bank guarantees held.

	As at March 31, 2020	As at March 31, 2019
8. Inventories (at lower of cost and net realisable value)		
Raw materials		
- On hand	160	204
- In transit	4	10
Work-in-progress	98	70
Finished goods	178	136
Stock in trade	1	92
Packing materials		
- On hand	31	24
- In transit	-	0
Fuels		
- On hand	222	213
- In transit	13	15
Stores, spares etc.		
- On hand	124	127
- In transit	0	1
	831	892

Inventories are hypothecated against the secured borrowings of the Company as disclosed in note 18(i).

Amount of Rs. 6 (March 31, 2019: 19) was recognised as an expense for inventories carried at net realisable value.

9. Financial assets

(i) Current investments

	As at March 31, 2020	As at March 31, 2019
Investment measured at amortised cost		
Commercial papers (unquoted)	-	139
	-	139
Investment measured at fair value through profit and loss		
Corporate bonds (quoted)	704	464
Units of debt schemes of various mutual funds (unquoted) *	852	359
Alternative investment fund (unquoted)	10	22
Certificate of deposits (quoted)	74	-
	1,640	845
	1,640	984
Aggregate book value of quoted investments	778	464
Aggregate amount of unquoted investments	862	520

* Refer note 52

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
(ii) Trade receivables		
Trade receivables	322	459
Receivables from related parties (refer note 35)	23	24
	345	483
Break-up for security details :		
Trade receivables		
Secured, considered good (refer note (a) below)	175	202
Unsecured, considered good	408	452
Trade receivables - credit impaired	46	28
	629	682
Less: Accrual for rebates / discounts	(228)	(162)
Less: Accrual for free supplies	(10)	(9)
Less: Impairment allowance (allowance for doubtful receivables):		
Trade receivables - credit impaired	(46)	(28)
	(284)	(199)
	345	483

Notes:

(a) Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.
(b) Trade receivables are netted off with bills discounted of Rs. 2 (March 31, 2019: Rs. 8).
(c) No trade or other receivables 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 90 days credit period.
(d) Trade receivables are hypothecated against the secured borrowings of the Company as disclosed in note 18(i).
(e) For information on financial risk management objectives and policies, refer note 39.

(iii) Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
- On current accounts *	84	87
- On cash credit accounts	7	9
- On deposit accounts with original maturity of less than three months **	0	90
Cheques on hand	2	26
Cash on hand	0	0
	93	212

* Balances with current accounts include Rs. 0 (March 31, 2019: 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)(c) above.

** Includes Rs. 0 (March 31, 2019 : Rs. 0) 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, 2020	As at March 31, 2019
Balances with banks:		
- On current accounts	84	87
- On cash credit accounts	7	9
- On deposit accounts with original maturity of less than three months	0	90
Cheques on hand	2	26
Cash on hand	0	0
	93	212

(iv) Bank balances other than (iii) above

	As at March 31, 2020	As at March 31, 2019
Deposits with remaining maturity of less than 12 months *	68	180
	68	180

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 5.00% p.a. - 7.75% p.a. (March 31, 2019 : 5.75% p.a. - 9.00% p.a.).

At March 31, 2020, Company had available Rs. 455 (March 31, 2019 : Rs. 587) of undrawn committed borrowing facilities.

* Includes Rs. 2 (March 31, 2019: Rs. 28) kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
(v) Loans (Unsecured, unless otherwise stated and considered good)		
Loans and advances to employees	7	6
Loans to related parties (refer note 35)		
- Secured *	19	41
- Unsecured	637	426
Loans to others	3	3
Security deposits	23	19
	689	495

* also refer note 6(ii) above

	As at March 31, 2020	As at March 31, 2019
(vi) Other financial assets (Unsecured, considered good unless otherwise stated)		
Subsidies receivable	432	320
Interest receivable		
- Related parties (refer note 35)	8	92
- Others (Considered doubtful Rs. 0 (March 31, 2019: Rs. 0)) *	36	34
Lease rent receivable	1	1
Claims receivable	0	1
(Considered doubtful Rs. 0 (March 31, 2019: Rs. 0))		
Other receivable		
- Related party (refer note 35)	1	2
- Others	9	5
Derivative instruments at fair value through profit and loss		
Foreign currency forward / option contracts	50	14
	537	469
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	537	469

* Includes interest receivable of Rs. 32 (March 31, 2019: Rs. 28) on corporate bonds, certificate of deposits and commercial papers included in current investments under note 9(i).

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.

<u>Break up of financial assets carried at amortised cost</u>	As at March 31, 2020	As at March 31, 2019
Investments- commercial papers	-	139
Trade receivables	345	483
Cash and cash equivalents	93	212
Other bank balances	68	180
Loan to employees	7	6
Loan to related parties	656	467
Loan - others	3	3
Security deposits	23	19
Subsidies receivable	432	320
Interest receivable - related parties	8	92
Interest receivable - others	36	34
Lease rent receivable	1	1
Claims receivable	0	1
Other receivable	10	7
Total financial assets carried at amortised cost	1,682	1,964

<u>Break up of financial assets carried at fair value through profit or loss</u>	As at March 31, 2020	As at March 31, 2019
Investment in corporate bonds	704	464
Investments in mutual funds	852	359
Investment in alternative investment fund	10	22
Investment in certificate of deposits	74	-
Foreign currency forward / option contracts	50	14
Total financial assets carried at fair value through profit or loss	1,690	859

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

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

Rs.

10. Other current assets (Unsecured and considered good, unless otherwise stated)	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advances to suppliers		
- Secured, considered good (refer note below)	25	25
- Unsecured, considered good	118	171
- Doubtful	7	7
Prepayments	16	8
Deposits and balances with government departments and other authorities		
- Unsecured, considered good	223	72
- Doubtful	0	1
Other receivable		
- Related party (refer note 35)	-	43
- Others	0	0
	389	327
Less: Impairment allowance (allowance for doubtful advances)	(7)	(7)
	382	320

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

11. Assets held for sale

Assets classified as held for sale	2	1
	2	1

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at 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, 2019: Rs. 0) as depreciation expense 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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S.S. KOTHARI MEHTA & CO. NEW DELHI

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	As at March 31, 2020	As at March 31, 2019
		Rs.
12. Share capital		
Authorised :		
385,350,000 (March 31, 2019: 385,350,000) Equity Shares of Rs. 10/- each	385	385
30,000,000 (March 31, 2019: 30,000,000) Preference Shares of Rs. 100/- each	300	300
723,000,000 (March 31, 2019: 723,000,000) Unclassified Shares of Rs. 10/- each	723	723
	1,408	1,408
Issued, subscribed and fully paid up :		
314,045,267 (March 31, 2019: 314,045,267) equity shares of Rs. 10/- each	314	314
	314	314

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	31,40,45,267	314	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	31,40,45,267	314

* During the previous year, Company had 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 Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench.

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, except in case of interim dividend which is paid as and when declared by the Board of Directors.

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.

c. Equity shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
Dalmia Bharat Limited (including its nominees) (formerly known as Odisha Cement Limited)	31,40,45,267	314	31,40,45,267	314

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

	As at March 31, 2020		As at March 31, 2019	
	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%	31,40,45,267	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, 2020	As at March 31, 2019
	No. of shares	No. of shares
Equity shares of Rs. 10 each fully paid up issued during the year 2018-19 to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to Scheme of Arrangement and Amalgamation	7,97,94,080	7,97,94,080

f. Shares reserved for issue under options

Information related to DBL ESOP Scheme 2018, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 31.

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

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

13. Other equity	As at March 31, 2020	As at March 31, 2019
		Rs.
Securities premium		
Opening balance as per last financial statements	6,563	443
Add: Premium on allotment of equity shares pursuant to Scheme of Arrangement and Amalgamation	-	6,120
Closing balance	6,563	6,563
Debenture redemption reserve		
Opening balance as per last financial statements	250	285
Add: Created during the year	-	27
Less: Released during the year	(195)	(62)
Closing balance	55	250
Share based payment reserve		
Opening balance as per last financial statements	16	13
Add: Created during the year	3	3
Closing balance	19	16
Retained earnings		
Opening balance as per last financial statements	2,022	1,956
Add: Amount released from debenture redemption reserve	195	62
Profit for the year	97	81
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement (loss) on defined benefit plan (net of tax)	(4)	(10)
Add: Transfer to retained earnings on sale of equity instruments through OCI	(0)	-
Less: Appropriations		
Transfer to debenture redemption reserve	-	(27)
Final and interim dividend	(77)	(33)
Tax on dividends	(16)	(7)
Total appropriations	(93)	(67)
Closing balance	2,217	2,022
Other comprehensive income		
Opening balance as per last financial statements	-	-
Add: Changes during the year	(0)	-
Less: Transfer to retained earnings on sale of equity instruments through OCI	0	-
Closing balance	-	-
Total other equity	8,854	8,851
Dividend distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended March 31, 2019 and interim dividend for the year ended March 31, 2020: Rs. 1.229 each per share (March 31, 2018: Rs. 1.044 per share)	77	33
DDT on final and interim dividend	16	7
	93	40
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2020: Rs. Nil per share (March 31, 2019: Rs. 1.229 per share)	-	39
DDT on proposed dividend	-	8
	-	47

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.

On February 6, 2020, the Board of Directors of the Company declared an interim dividend of Rs. 39 for the financial year 2019-20, which has been paid during the year 2019-20.

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

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

Rs.

	As at March 31, 2020	As at March 31, 2019

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 payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value 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.

(e) Equity instruments through other comprehensive income- The Company has elected to recognise changes in the fair value of investments in equity instruments in OCI. These changes are accumulated within the 'Equity instruments through OCI' within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

14. Financial liabilities

(i) Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
A. Redeemable non-convertible debentures (Refer sub note 1 below)	686	1,340
Less: Shown in current maturities of long term borrowings	(466)	(540)
	220	800
B. Term loans		
a. From banks (refer sub note 2 below):		
i. Foreign currency loan	578	573
ii. Indian rupee loan	2,820	2,285
Less: Shown in current maturities of long term borrowings	(613)	(97)
	2,785	2,761
b. From others (Refer sub note 3 below)	207	203
Less: Shown in current maturities of long term borrowings	(107)	-
	100	203
C. Deferred payment liabilities (refer sub note 4 below)	16	7
Less: Shown in current maturities of long term borrowings	-	-
	16	7
D. Present value of land lease obligation (refer sub note 5 below)	-	1
Less: Shown in current maturities of long term borrowings	-	(0)
	-	1
Total (I)	3,121	3,772
Unsecured		
E. Foreign currency loans from banks (refer sub note 6 below)	358	346
Less: Shown in current maturities of long term borrowings	-	(277)
	358	69
F. Loan from a related party	-	5
Less: Shown in current maturities of long term borrowings	-	(5)
	-	-
Total (II)	358	69
Total long term borrowings (I+II)	3,479	3,841
Current maturities of long term borrowings - Secured	1,186	637
Current maturities of long term borrowings - Unsecured	-	282
Total current maturities of long term borrowings disclosed in note 18(iii)	1,186	919

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.

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

i) 9.91% Series B Rs. Nil (March 31, 2019: Rs. 198) were redeemable in January 2020.The debentures are fully repaid during the year.

ii) 9.91% Series C Rs. 182 (March 31, 2019: Rs. 298) are redeemable in January 2021.The debentures are partially early redeemed during the year.

In respect of (i) and (ii) above, debentures are secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal).

iii) 10.75% Series 1A Rs. Nil (March 31, 2019: Rs. 34) were 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 of 33:33:34 commencing from January 2018. The debentures are fully repaid during the year.

iv) 10.75% Series III A,B,C and Series IV P,Q,R Rs. Nil (March 31, 2019: Rs. 70) were 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 III P,Q,R and redeemable in three yearly instalments commencing from August 2017. The debentures are fully repaid during the year.

v) 8.65% Rs. 85 (March 31, 2019: Rs. 124) 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.

vi) 8.70% Rs. 20 (March 31, 2019: 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.

vii) 9.90% Rs. 399 (March 31, 2019: 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. 376 (March 31, 2019: Rs. 384) are secured by first pari-passu charge including mortgage on immovable and movable fixed assets of cement units at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur), at 1 year MCLR plus 0.30% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) Rs. 462 (March 31, 2019: Rs. 464) are secured by first pari-passu charge on entire property, plant and equipment (movable and immovable) of cement unit located at Belgaum, Karnataka both present & future (except specific equipment financed by ECA) at 1 year MCLR plus 0.30% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) Rs. 338 (March 31, 2019: Rs. 345) are secured by way of first pari-passu charge over movable and immovable property, plant and equipment pertaining to cement units at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur) at 3 months MCLR plus 0.20% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2019 till March 2030.

iv) Rs. 288 (March 31, 2019: Rs. 289) carrying interest rate at 1 Year MCLR plus 0.40% p.a. (present 8.30% p.a) are secured by way of first pari-passu charge on property, plant and equipment (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, 2019: Rs. 194) carrying interest rate at 6 months MCLR plus 0.45% p.a. (present 8.25% p.a) are secured by way of first pari-passu charge on property, plant and equipment (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. 455 (March 31, 2019: Rs. 423) carrying interest at 6 months EURIBOR plus 2.50% p.a. secured by way of first pari-passu charge on hypothecation over and movable fixed assets of power plant 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. 24 (March 31, 2019: Rs. 31) carrying interest at 6 months LIBOR plus 2.05% p.a (present 3.99% 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. 113 (March 31, 2019: Rs. 130) carrying interest at 1 year MCLR plus 0.30% p.a (present 8.65% p.a) are secured by mortgage and first charge on all the movable and immovable fixed assets (both property, plant and equipment and intangible assets) of the cement unit located at Meghalaya (both present and future) and 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. 249 (March 31, 2019: Rs. 264) carrying interest at 6 months MCLR plus 0.45% p.a (present 8.45% 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.

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

S.S. KOTHARI MEHTA & CO. NEW DELHI

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

	Rs. As at March 31, 2020	As at March 31, 2019

x) Rs. Nil (March 31, 2019: Rs. 0) carried interest rate of 10.00% p.a was secured by way of first and exclusive charge on the vehicles purchase therefrom. The loan was repayable in 60 monthly instalments of Rs. 0 each commencing from February 2015.

xi) Rs. 98 (March 31, 2019: Rs. 119) 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, 2019 and one instalment on USD 2,285,714.80 on December 15, 2022.

xii) Rs. 210 (March 31, 2019: Rs. 217) carrying interest at 1 year MCLR plus 0.25% p.a. (present 9.00% p.a.) are secured by first pari - passu charge on all movable and immovable fixed assets (both present and future) of the cement unit located at Jharkhand Cement Works, Bokaro. The loan is repayable in unequal 54 structured quarterly instalments of commencing from November 2016.

xiii) Rs. 594 (March 31, 2019: Rs. Nil) carrying interest at 1 year MCLR plus 0.75% (present 8.90% p.a.) are secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack & Jajpur), OCL Bengal Cement Works (Midnapore, West Bengal) and Village Chak Sarupan (Vaishali, Bihar). The loan is repayable in 52 unequal quarterly instalments commencing from February 2022.

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

i) Term loan in form of government grant of Rs. 163 (March 31, 2019: Rs. 163) carrying interest @ 0.10% p.a., are secured by way of first pari-passu charge on movable and immovable properties of cement unit at Dalmiapuram and is repayable in five unequal instalments starting from April 2019 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. 44 (March 31, 2019: Rs. 40) carrying interest @ 0.10% p.a. are secured by way of second pari-passu charge on movable and immovable properties of cement units located at Dalmiapuram and Ariyalur. Repayment schedule is yet to be finalised. Loan was received post transition to Ind AS and accounted at fair value with a difference being recognised as government grant (refer note 17(iii)).

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

i) Rs. 6 (March 31, 2019: Rs. 5) 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. The 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 being recognised as government grant (refer note 17(iii)).

ii) Rs. 3 (March 31, 2019: Rs. 2) 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 January 2017 to June 2017. The 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 being recognised as government grant (refer note 17(iii)).

iii) Rs. 7 (March 31, 2019: Rs. Nil) interest free loan in respect of 14% p.a of SGST paid within Karnataka on the sale of goods produced at Belgaum plant located at Karnataka from July 2017 to March 2019. The loan is secured by way of a bank guarantee issued by the Company and is repayable in 12 yearly equal instalments starting from March 5, 2033. 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 government grant (refer note 17(iii)).

5) Land lease obligation referred to in D above were included in borrowings until March 31, 2019, but were reclassified to lease liabilities on April 1, 2019 in the process of adopting the new leasing standard. Such obligation is repayable during lease period of 90 to 99 years. This is secured against leased assets and carry interest @ 10.00% p.a.

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

i) Rs. Nil (March 31, 2019: Rs. 173) carried interest at 3 months LIBOR plus 1.90% p.a. and was repayable at the end of 15 months from date of disbursement i.e. February 26, 2018. The loan is fully repaid during the year.

ii) Rs. Nil (March 31, 2019: Rs. 69) carried interest at 3 months LIBOR plus 2.50% p.a. and was repayable at the end of 3 years from date of disbursement i.e. February 15, 2018. The loan is fully repaid during the year.

iii) Rs. Nil (March 31, 2019: Rs. 104) carried interest at 3 months LIBOR plus 2.15% p.a. and was repayable at the end of 445 days from the date of disbursement i.e. July 2, 2018. The loan is fully repaid during the year.

iv) Rs. 158 (March 31, 2019: Rs. Nil) carrying interest at 3 months LIBOR plus 2.40% p.a. and is repayable at the end of 15 months from the date of disbursement i.e. February 24, 2020.

v) Rs. 200 (March 31, 2019: Rs. Nil) carrying interest at 6 months EURIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. March 15, 2020.

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

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
(ii) Other financial liabilities		
Security deposit received	-	1
Interest rate swap contract	2	-
	2	1
Financial liabilities carried at amortised cost		
Borrowings		
Non-current lease liabilities (refer note 32)	3,479	3,841
Security deposit received	44	-
	-	1
	3,523	3,842
Financial liabilities carried at fair value through profit or loss		
Interest rate swap contract	2	-
	2	-

15. Provisions

	As at March 31, 2020	As at March 31, 2019
For mines reclamation liability (refer note 41)	51	41
For gratuity (refer note 30)	40	49
For contingencies (refer note 41)	4	3
	95	93

16. Income tax

(i) The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

	2020	2019
Profit or loss section:		
Current income tax :		
Current income tax charge	75	56
Adjustment of tax relating to earlier years	(9)	2
Deferred tax :		
Relation to origination of temporary differences	117	8
MAT credit entitlement	(75)	(56)
Adjustment of tax relating to earlier years (net)	30	8
Income tax expense reported in the statement of profit and loss	138	18
Other Comprehensive Income (OCI) section:		
Deferred tax related to items recognised in OCI during the year		
Net loss on re-measurement of defined benefit plan	2	5
Income tax credit charged to OCI	2	5

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

Rs.

	As at March 31, 2020	As at March 31, 2019
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:		
Accounting profit before tax	235	99
Applicable tax rate	34.944%	34.944%
Computed tax expense	82	34
Adjustment of tax relating to earlier years	21	10
Dividend income exempt from income tax	-	(0)
Effect of allowances on expenditure during tax holiday period	4	8
Amortisation of goodwill in books considered as not deductible in provision for tax	25	18
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(2)	(45)
Realisation of brought forward long term capital loss not recognised in the books due to prudence	(1)	(11)
Others	9	4
Income tax reported in the statement of profit and loss	138	19

On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

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

	As at March 31, 2020	As at March 31, 2019
(III) Deferred tax		

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax liabilities				
Property, plant and equipment (including goodwill and other intangible assets)	2,340	2,571	(231)	(54)
Others	89	-	89	(5)
Total deferred tax liabilities	2,429	2,571	(142)	(59)
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	32	32	0	(5)
Impairment allowance (for doubtful debts and advances)	17	11	(5)	0
Carry forward of unabsorbed depreciation	840	901	261	96
Others	(1)	30	31	(15)
Total deferred tax assets	887	974	287	76
Deferred tax expense			145	17
Deferred tax liabilities (net)	1,742	1,597		
MAT credit entitlement (after adjusting income tax provision for earlier years) *	323	243		
Deferred tax liabilities (net)	1,419	1,354		
Reconciliation of deferred tax liabilities (net):				
Opening balance as at April 1	1,354	1,344		
Tax expense during the year recognised in profit or loss	147	22		
Tax expense during the year recognised in OCI	(2)	(5)		
MAT credit entitlement	(80)	(7)		
Closing balance as at March 31	1,419	1,354		

* net of amount recoverable from Dalmia Bharat Limited (formerly known as Odisha Cement Limited) of Rs. Nil (March 31, 2019: Rs. 43).

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. 1,830 (March 31, 2019: Rs. 2,580) that are available for offsetting for indefinite life against future taxable profits of the Company. MAT credit will expire between March 2026 to March 2035.

The management at the end of each reporting period, assesses 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.

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

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

Rs.

17. Government grants	As at March 31, 2020	As at March 31, 2019
(i) Deferred export promotion capital goods (refer sub note (a) below)		
At the beginning of the year	-	12
Accrual during the year	-	-
Released to the statement of profit and loss	-	(12)
At the end of the year	-	-
(ii) Deferred government grant (refer sub note (b) below)		
At the beginning of the year	2	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	58	47
Accrual during the year	30	16
Released to the statement of profit and loss	(6)	(5)
At the end of the year	82	58
Total (i+ii+iii)	84	60
Non current	77	54
Current	7	6

Notes:

(a) Based on the fulfilment of export obligations i.e. export of goods to customers within specified period, Company during the previous year, had recognised government grant (to the extent of custom duty saved on import of plant and equipment's and deferred until the achievement of specified conditions) of Rs. 12 in the 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.

18. Financial liabilities

(i) Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Cash credit from banks	10	49
(b) Working capital loan from banks	176	-
(c) Foreign currency loan from banks:		
- Buyer's credit	360	276
- Supplier's credit	-	18
- Packing credit foreign currency	7	3
	553	346
Unsecured		
(d) From a related party (refer note 35)	5	-
(e) Commercial papers	644	544
(f) Buyer's credit	28	-
	677	544
	1,230	890

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

	As at March 31, 2020	As at March 31, 2019

Rs.

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 7.60% p.a. to 8.37% p.a. (March 31, 2019: 8.50% p.a. to 10.35% p.a.).

2) Working capital loan from banks referred to in (b) above to the extent of:
Rs. 176 (March 31, 2019: Rs. Nil) were secured by way of first pari passu charge over all current assets of the Company and carrying interest rate in the range of 7.60% p.a. to 8.30% p.a.

3) Foreign currency loan from banks referred to in (c) above to the extent of:
(a) Rs. 388 (March 31, 2019: Rs. 276) 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/ 12 months LIBOR plus 0.30% p.a. to 0.48% p.a. (presently 1.09% p.a. to 2.56% p.a.) (March 31, 2019: 2.82% p.a. to 3.92% p.a.).

(b) Rs. 7 (March 31, 2019: Rs. 3) 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 2.84% p.a. (March 31, 2019: 2.00% p.a. to 4.74% p.a.).

(c) Rs. Nil (March 31, 2019: Rs. 18) were 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 carried interest rate at 6 months LIBOR plus 0.40% p.a. (i.e. 3.05 % p.a.).

4) Loan from a related party referred to in (d) above carry interest rate of 9.00% p.a and is repayable in November 2020 with renewal option.

5) Commercial papers referred to in (e) above are payable in three months and carry interest rate in the range of 5.65% p.a. to 5.90% p.a. (March 31, 2019: 7.40% p.a. to 7.70% p.a.).

6) Buyer's credit from a Bank referred to in (f) above is repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.37% p.a. (presently 2.35% p.a.).

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

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

	As at March 31, 2020	As at March 31, 2019
		Rs.
(II) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	12	6
Total outstanding dues of creditors other than micro enterprises and small enterprises *	661	743
	673	749

* Trade payables include due to related parties Rs. 19 (March 31, 2019: Rs. 63) (refer note 35)
For maturity profile of trade payables and other financial liabilities, refer note 39.

	As at March 31, 2020	As at March 31, 2019
(III) Other financial liabilities		
Current maturities of long term borrowings (refer note 14(i))	1,186	919
Current maturities of finance lease obligations (refer note 14(i))	-	0
Interest accrued but not due on borrowings		
- Related parties (refer note 35)	1	1
- Others	23	38
Security deposits received	439	364
Payables for purchase of property, plant and equipment (including payable to related party Rs 4 (March 31, 2019: Rs. Nil)) (refer note 35) #	134	116
Accrued employee liabilities (including payable to related parties Rs. 1 (March 31, 2019: Rs. Nil)) (refer note 35)	22	21
Foreign currency option contracts/ interest rate swap contract	-	3
Directors' commission payable (refer note 35)	1	1
Purchase consideration payable (refer sub note below)		
- Related party (refer note 35)*	-	0
- Others **/ ***	30	41
Other payable	3	-
	1,839	1,504

\# including dues of micro enterprises and small enterprises of Rs. 1 (March 31, 2019: Rs. Nil) (refer note 43)

Purchase consideration payable include:
* Rs. Nil (March 31, 2019: 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.

** Consideration of Rs. 30 payable upon fulfilment of certain project conditions as part of Shareholder's Agreement. In the event, project conditions are not fulfilled, Bawri Group (BG), other shareholder of Calcom, is obligated to refund Rs. 32 out of tranche 1 payment made by the Company to BG. As the project conditions were not fulfilled, the liability to pay Rs. 30 has been disputed by the Company and claim of Rs. 32 has been made. The matter is currently under arbitration. Refer note 45(I) for terms and conditions.

*** Rs. Nil (March 31, 2019: Rs. 11) towards purchase consideration payable against earlier years.

	As at March 31, 2020	As at March 31, 2019
Financial liabilities carried at amortised cost		
Borrowings	1,230	890
Lease liabilities (refer note 32)	32	-
Trade payables	673	749
Current maturities of long term borrowings	1,186	919
Current maturities of finance lease obligations	-	0
Interest accrued but not due on borrowings	24	39
Security deposits received	439	364
Payables for purchase of property, plant and equipment	134	116
Accrued employee liabilities	22	21
Directors' commission payable	1	1
Purchase consideration payable	30	41
Other payable	3	-
	3,774	3,140
Financial liabilities carried at fair value through profit or loss		
Foreign currency option contracts/ interest rate swap contract	-	3
	-	3

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

Rs.

	As at March 31, 2020	As at March 31, 2019
19. Other current liabilities		
Liability towards dealer incentive *	122	77
Advance from customers	115	105
Other liabilities		
- Statutory dues	147	240
- Others	38	35
	422	457

* Liability towards dealer incentive relates to in-kind discount granted to the customers as part of sales transaction and has been estimated with reference to the relative standalone selling price of the products for which they could be redeemed.

	As at March 31, 2020	As at March 31, 2019
20. Provisions		
For mines reclamation liability (refer note 41)	3	3
For gratuity (refer note 30)	23	1
For leave encashment	19	32
For other employee benefits	0	0
For contingencies (refer note 41)	-	1
	45	37

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

Rs.

21. Revenue from operations	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
- Sale of finished goods	8,125	8,103
- Sale of traded goods	125	26
- Sale of services	23	29
Total sale of products and services	8,273	8,158
Subsidies on sale of finished goods	40	103
Government grant	-	12
Other operating revenues	36	39
	8,349	8,312

Notes:

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

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Finished goods		
- Cement and its related products	7,771	7,709
- Refractories	352	380
- Power	2	14
	8,125	8,103
Traded goods	125	26
Total sale of products	8,250	8,129
Sale of services		
Management service charges	13	14
Marketing services	10	13
Business auxiliary services	-	2
Total sale of services	23	29
Total revenue from contracts with customers	8,273	8,158

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contract price	9,338	8,974
Less: Discounts and incentives	(1,065)	(816)
Revenue from contracts with customers	8,273	8,158

Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss:

	Year ended March 31, 2020	Year ended March 31, 2019
Total revenue from contracts with customers	8,273	8,158
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	40	103
Government grant	-	12
Other operating revenues	36	39
Revenue as per the statement of profit and loss	8,349	8,312

b. Contract balances

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

	As at March 31, 2020	As at March 31, 2019
Trade receivables	345	463
Contract liabilities:		
Advance from customers (refer note 19)	115	105

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

Rs.

	Year ended March 31, 2020	Year ended March 31, 2019
22. Other Income		
Interest income	151	162
Interest income from other financial assets at amortised cost	31	42
Unwinding of interest income on financial instruments	9	9
Dividend income from current investments measured at fair value through profit	-	2
Gains/ (losses) on financial instruments measured at fair value through profit or loss (net):		
- Profit on sale of current investments (net)	17	166
- On change of fair value of investments measured at FVTPL	7	(108)
Financial guarantee amortisation	-	2
Liabilities no longer required written back	1	-
Profit on disposal of property, plant and equipment (net)	1	1
Miscellaneous receipts	0	2
	217	**278**
23. Cost of raw materials consumed		
Opening stock	214	142
Add: Purchases (refer note 49) *	1,388	1,652
	1,602	**1,794**
Less: Closing stock	164	**214**
Cost of raw materials consumed	1,438	**1,580**
24. Change in inventories of finished goods, work-in-progress and stock in trade		
Finished goods		
- Closing stock	178	136
- Opening stock	136	100
	(42)	**(36)**
Work-in-progress		
- Closing stock	98	70
- Opening stock	70	51
	(28)	**(19)**
Stock in trade		
- Closing stock	1	92
- Opening stock	92	-
	91	**(92)**
	21	**(147)**
Add: Trial run production transferred to capital work-in-progress (refer note 44)	8	-
Net (increase)/ decrease in inventories	29	**(147)**
25. Employee benefit expenses		
Salaries, wages and bonus	467	451
Contribution to provident and other funds	27	26
Gratuity expense (refer note 30)	7	14
Employee stock option scheme (refer note 31)	1	3
Workmen and staff welfare expenses	22	21
	524	515
26. Finance costs		
(a) Interest cost:		
- On term loans and debentures	347	408
- On short term borrowings (net of subsidy of Rs. 0 (March 31, 2019: Rs. 0))	45	56
- On defined benefit obligation (net)	6	2
- On others (including interest on income tax of Rs. 0 (March 31, 2019: Rs. 2) *	22	(7)
- On unwinding of interest	8	7
- On lease liabilities	8	-
	436	466
Less: Capitalisation of interest cost	(82)	(10)
	354	456

* net of reversal of interest liability of Rs. 2 (March 31, 2019: Rs. 39) provided for in earlier years.

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

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
		Rs.
(b) Other finance cost		
- Other borrowing cost	3	9
- Exchange differences to the extent considered as an adjustment to borrowing cost	48	29
	51	**38**

27. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Packing expenses	307	335
Consumption of stores and spare parts	26	42
Repairs and maintenance :		
- Plant and machinery (refer note 49)	219	192
- Buildings	11	14
- Others	18	21
Rent	17	46
Rates and taxes	12	9
Insurance (net of subsidy Rs.0 (March 31, 2019: Rs.0))	5	5
Management service charges	112	144
Depot expenses (refer note 49)	129	119
Professional charges	66	75
Advertisement and sales promotion	192	217
Travelling and conveyance	46	50
Bad debts/ advances written off (net)	2	3
Impairment allowance (net of reversal Rs. 5 (March 31, 2019: Rs. 2))	18	1
Corporate social responsibility expenses (refer note 48)	4	6
Directors sitting fees (refer note 35)	0	0
Miscellaneous expenses (refer note 49) *	249	229
	1,433	**1,508**

* Also refer note 42 for remuneration of auditors

28. Earnings Per Share

	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax for calculation of basic and diluted EPS (Rs.)	97	81
Weighted average number of equity shares outstanding	31,40,45,267	23,42,51,187
Equity shares allotted during the year pursuant to Scheme of Arrangement and Amalgamation (refer note 12)	-	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)	**3.09**	**2.54**

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

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 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. 323 as at March 31, 2020 (March 31, 2019: Rs. 243). The Company can utilise the MAT credit for a period of 6 to 15 years.

Further details on taxes are disclosed in note 16.

Change in estimates

Deferred tax includes credit of Rs. Nil (March 31, 2019: 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 and provident fund)

The cost of the defined benefit plans and the present value of the defined benefit obligations 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 2012-14. 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 and provident fund 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, 2020 is Rs. 54 (March 31, 2019: Rs. 44). The Company calculates the provision using the Discounted Cash Flow (DCF) based on discount rate of 6.76% p.a. Details of such provision are disclosed in note 41.

Change in estimates

During the year, Company has reviewed the assumptions used in determining the fair value of Provisions, and accordingly revised the estimate for provision for mines reclamation resulting in increase in provision by Rs. 7.

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

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

Revenue from contracts with customers – 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, 2020, the estimated liability towards non-cash incentive amounted to Rs. 122 (March 31, 2019: Rs. 77). 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 estimates
(a) During the year, Company completed the re-evaluation of the pattern of economic benefits derived from property, plant and equipment ('PPE') of the manufacturing facility situated at Lumshnong, Meghalaya. Based on such evaluation, management decided to change the method of providing depreciation on its PPE situated at Lumshnong, Meghalaya from straight line method to written down value method w.e.f. 1st July, 2019.
(b) During the year, the residual value of PPE is reviewed and re-assessed by the Company so that the revised residual value properly reflect the values which the Company expects to realise on completion of useful life of the respective asset.

Consequent to (a) and (b) above, depreciation charge for the year ended March 31, 2020 is higher by Rs. 123.

(c) During the previous year, Company had reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the previous year was 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 rate used for extrapolation purposes.

There are no impairment losses recognised for the years ended March 31, 2020 and March 31, 2019.

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.

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.

Determining the lease term of contracts with renewal and termination options - Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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

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

Rs.

Particulars	Gratuity 2019-20	Gratuity 2018-19	PF 2019-20	PF 2018-19
Current service cost *	8	14	10	11
Net interest cost**	4	1	2	1
Net benefit expense	12	15	12	12

* Includes Rs. 1 (March 31, 2019: Rs. 0) towards capitalisation of gratuity expense & Rs 2 (March 31,2019: Rs 0) towards capitalisation of Provident fund Expenses.

** Includes Rs. 1 (March 31, 2019: Rs. 0) towards capitalisation of interest expense.

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

Rs.

	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net (A-B)
April 1, 2019 (1)	87	38	49	155	152	3
Service cost (2)	8	-	8	10	-	10
Net interest expense (3)	6	2	4	15	13	2
Sub-total included in profit or loss (2+3)=(4)	14	2	12	25	13	12
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	0	2	(2)
(Gain)/loss from changes in demographic assumptions (6)	0	-	0	0	0	-
Experience (gains)/ losses (7)	3	-	3	2	0	2
Change in financial assumptions (8)	3	-	3	-	-	-
Sub-total (5+6+7+8)=(9)	6	(0)	6	2	2	(0)
Expense/ (income) included in OCI out of (9) above	6	(0)	6	-	-	-
Contributions by employer (10)	-	-	-	0	10	(10)
Contribution by plan participation/ employees (11)	-	-	-	27	27	-
(Settlements)/ Transfer in (12)	-	-	-	35	35	-
Acquisition adjustment (13)	(0)	-	(0)	-	-	-
Other adjustment (14)	-	-	-	(2)	(2)	-
Benefits paid (15)	(9)	(4)	(5)	(12)	(12)	-
Sub-total (10+11+12+13+14+15)=(16)	(9)	(4)	(5)	48	58	(10)
March 31, 2020 (1+4+9+16)	98	36	62	230	225	5

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

Rs.

	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net (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)	(0)	-	(0)	-	-	-
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	0
Acquisition adjustment (13)	(0)	-	(0)	-	-	-
Benefits paid (14)	(4)	(4)	(0)	(5)	(5)	-
Sub-total (10+11+12+13+14)=(15)	(4)	(3)	(1)	24	35	(11)
March 31, 2019 (1+4+9+15)	87	36	49	155	152	3

The Company expects to contribute Rs. 70 (March 31, 2019: Rs. 55) to gratuity in 2020-21. The Company expects to contribute Rs. 11 (March 31, 2019: Rs. 12) to PF in 2020-21.

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investment pattern in plan assets:				
Insurance Company products	14	15	-	-
Central Government securities	1	1	26	18
State Government securities	16	16	65	57
Special Deposit scheme	2	2	4	5
Bonds/Securities of Public Financial Institutions	2	2	95	64
Cash and cash equivalents	0	1	2	1
Mutual funds - Unquoted	-	1	-	-
Equity shares of listed companies	-	-	13	7
Other investment	1	-	-	-
Total	36	38	225	152

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

	Gratuity		PF	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	%	%	%	%
Discount rate	6.40%	7.25%	6.40%	7.25%
Future salary increases	7.00%	7.00%	-	
Guaranteed interest rate		-	8.50%	8.65%
Mortality Table	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	4	3	(4)	(3)	(4)	(3)	4	3

PF:

Rs.

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% decrease		1% increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	5	5	(2)	(2)	(5)	(3)	10	5

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:

Rs.

	Gratuity	
	March 31, 2020	March 31, 2019
	Rs.	Rs.
Within the next 12 months (next annual reporting period)	43	39
Between 2 and 5 years	38	34
Between 6 and 10 years	25	23
Beyond 10 years	25	21
Total expected payments	131	**117**

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, 2019: 3 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:

Rs.

Particulars	2019-20	2018-19
Provident Fund/ Pension Fund	15	13
Superannuation Fund	1	1
National Pension Scheme	3	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) were 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 expense recognised for employee services received during the year is shown in the following table -

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Expense arising from equity-settled share-based payment transactions *	3	3
Total expense arising from share-based payment transactions	3	3

* Includes Rs. 2 (March 31, 2019: Rs. Nil) allocated to capital work-in-progress (refer note 44).

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, 2020	March 31, 2020	March 31, 2019	March 31, 2019
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	7,32,000	176.77	4,50,000	350.27
Cancelled pursuant to Scheme of Arrangement and Amalgamation **	-	-	(4,50,000)	350.27
Granted pursuant to DBL ESOP Scheme 2018	-	-	9,00,000	175.14
Exercised during the year	(2,20,000)^^	169.09	(168,000)^	168.01
Expired/ Lapsed during the year	-	-	-	-
Outstanding at the end of the year	5,12,000	180.07	7,32,000	176.77
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. 511.10/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is 4.32 years (March 31, 2019: 4.88 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, 2019: Rs. 108.62/- to Rs. 191.77/-).

The following table list the inputs to the models used for the plan for the year ended March 31, 2020 and March 31, 2019:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.4	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	713.8
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 2018 pursuant to the Scheme of Arrangement and Amalgamation approved by hon'ble NCLT, Chennai effective October 30, 2018. Under the DBL ESOP 2018, 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 erstwhile DBEL ESOP Scheme 2011 (whether vested or unvested).

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Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

32. Leases

(a) Company as a lessee

The Company has lease contracts for various land, buildings (godowns, office and residential premises), vehicles and other equipment used in its operations. Leases of land have lease terms between 10 and 99 years, godowns have lease terms between 1 and 8 years, while office and residential premises have lease terms between 1 and 9 years, and vehicles and other equipment have lease terms between 1 and 8 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of godowns and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right of use assets recognised and the movements during the year:

Rs.

	Land	Buildings	Vehicles	Other equipment	Total
Cost					
As at April 1, 2019*	40	57	19	2	118
Additions	3	23	9	-	35
Disposals	(0)	(6)	(1)	-	(7)
As at March 31, 2020	43	74	27	2	**146**
Accumulated depreciation					
Charge for the year	1	30	8	1	40
Disposals	(0)	(7)	(0)	-	(2)
As at March 31, 2020	1	28	8	1	38
Net block					
As at March 31, 2020	42	46	19	1	**108**

*Opening Balance includes Rs. 33 reclassified on account of adoption of Ind AS 116.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Rs. 2019-20
As at April 1, 2019	86
Additions	32
Deletions	(6)
Accretion of interest	8
Payments	(44)
As at March 31, 2020	76
Current	32
Non-current	44

The maturity analysis of lease liabilities are disclosed in note 39.
The effective interest rate for lease liabilities is 10%, with maturity between 2021-2109.

The following are the amounts recognised in profit or loss:

Year ended March 31, 2020 (Leases under Ind AS 116)	Rs. 2019-20
Depreciation expense of right of use assets	40
Interest expense on lease liabilities	8
Expense relating to short-term leases (included in other expenses)	17
Total amount recognised in profit or loss	65

Year ended March 31, 2019 (Operating leases under Ind AS 17)	Rs. 2018-19
Lease expense	46
Total amount recognised in profit or loss	46

Amounts recognised in statement of cash flows:

Year ended March 31, 2020	Rs.
Total cash outflow for leases	(44)

(b) 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 -

Particulars	As at March 31, 2020		As at March 31, 2019	
	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

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33. Capital and other commitments

Rs.

Particulars	March 31, 2020	March 31, 2019
A. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	459	597
B. Other commitments		
(i) 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	12
(ii) Estimated future investments in Alternative Investment Fund in terms of agreement with the fund	-	4
(iii) Contractual and other payments, which does not have any bearing on the results for the current and previous year	31	31

C. The Resolution Plan (RP) filed by the Company for revival of Murli Industries Limited (MIL) has been approved by the National Company Law Tribunal (NCLT), Mumbai Bench pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC'). The necessary actions have been initiated to make the RP effective.

RP provides for payment of Rs. 402 to creditors of MIL by the Company. MIL has an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur District, Maharashtra along with a captive thermal power plant of 50 MW. In addition, MIL also has paper and solvent extraction units in Maharashtra. The acquisition of MIL would help the Company to further 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, 2020	March 31, 2019
i) Claims against the Company not acknowledged as debts	277	287
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	46	53
- Customs	18	38
- Sales tax/ Entry tax/ Purchase tax/ Market fee	129	108
- Income tax matters	50	42
	520	528

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, the Company, in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as inter-se Agreement or 'ISA'), 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) / NCLT under Sections 397 and 398 of the Companies Act, 1956 alleging oppression and mismanagement by the Company. 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 said petition and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their disputes.

BG has challenged the order of NCLT Guwahati before the Hon'ble High Court, Guwahati and the same is pending adjudication. The disputes between the parties are pending for adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

C) The Office of the Superintendent of Taxes, Jowai, Meghalaya has issued notice dated 12th March 2020 seeking justification of gaps found for use of coal procured through legal sources in production of clinker / power as mentioned in the Report of the Independent Committee constituted by the National Green Tribunal. In the notice, it has been mentioned that the gap seems to be due to illegally procured coal and hence the Company is liable to pay enhanced royalty and electricity duty on such coal. The Company has been asked to provide its reply on the issue and the same is under process as the Company is evaluating the effect of the report. No provision is considered necessary in the financial statements based on the legal opinion taken by the Company as the demand has not yet crystallised.

D) CBI has filed a charge sheet against the Company & its employees under Section 120(b) read with Section 420 of Indian Penal Code before Special Judge, CBI Cases, Hyderabad, wherein CBI has alleged that Company had invested in the shares of Bharathi Cement Corporation Private Ltd. for the benefit of one of the accused as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh and the shares of Bharathi Cement Corporation Private Ltd. were sold by Company at a profit.

Pursuant to above, charge sheet has been filed before Special Judge, CBI Cases, Hyderabad, on which cognizance has been taken. The case is still at the preliminary stage. These proceedings were challenged by one of the accused before High Court and the same is pending till date. In the opinion of the Company, 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 of effective date. The Company will evaluate its position and act, as clarity emerges.

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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

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, Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapa Mines and 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 , OCL Global Limited, Dalmia DSP Limited (w.e.f. July 10, 2018) and Hopco Industries Limited (w.e.f. December 21, 2018)

iv. **Step down subsidiaries of the Company**
Cosmos Cement Limited, OCL China Limited, RCL Cements Limited, SCL Cements Limited, Sutnga Mines Private Limited, Vinay Cement Limited and Dalmia OCL Limited (w.e.f. October 7, 2019)

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**
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. Thyagarajan Venkatesan- Independent Director Mr. Paul Heinz Hugentobler - Independent Director, Mr. Jayesh Doshi - Chief Financial Officer and Mrs. Manisha Bansal - Company Secretary

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

ii. **Key Management Personnel of Holding company**
Mr. Niddodi Subrao Rajan(w.e.f. August 30, 2019)

iii. **Relatives of Key Management Personnel**
Shri Jai Hari Dalmia */ **
Shri Yadu Hari Dalmia */ **
Mrs. Avantika Dalmia

* Non-Executive Director (upto October 30, 2018)
** Also, KMP of Holding company

iv. **Enterprises controlled by Key Management Personnel of the Company**
Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Kanika Investment Limited and Dalmia Bharat Foundation

v. **Enterprises controlled/jointly controlled by Key Management Personnel of the Holding Company**
Khaitan & Co. AOR and Khaitan & Co. LLP

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Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

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

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	Remuneration paid *	Directors sitting fees	Directors commission	Professional fees	Purchase of assets	Sale of assets	Purchase of goods & services	Reimbursement of expenses payable	Reimbursement of expenses receivable	CSR	Rent paid	Payment against lease liabilities (including interest)	Sale of goods & services	Subscription to equity share capital	Subscription to optionally convertible debentures	Issue of equity share capital (including Securities Premium)	Redemption / sale of investment	Adjustment of TDS receivable	Recovery of MAT credit entitlement
[illegible]	Subsidiary																									
[illegible]	Subsidiary																									
Mr. Jai Hari Dalmia	[illegible]																									
		77	6	116	[illegible]	549	[illegible]	43	6	[illegible]	5	[illegible]	1	226	2	[illegible]	4	-	6	181	[illegible]	[illegible]	[illegible]	-	[illegible]	9

[illegible]

Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

C) Balance outstanding at year end:

Rs.

Name of the Related Party	Nature of related party	Trade payables	Trade receivables	Capital Payable	Borrowings	Interest payable	Other receivables	Lease liabilities (at amortised cost)	Interest receivable	Loan/ Advances receivable	Director Sitting Fee payable	Director commission payable	Investment in Optionally Convertible Debentures (carried at FVTPL)	Remuneration payable	Purchase consideration payable
Dalmia Bharat Limited	Holding	11 (49)	-	4	-	- (1)	(43)	-	-	-	-	-	-	-	(0)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	0 (0)	0 (0)	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP Controlled	3 (1)	9 (6)	-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP Controlled Entity of Holding Company	2 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. AOR	KMP Controlled Entity of Holding Company	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Power Limited	Fellow Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alsthom Industries Limited *	Subsidiary	-	7 (4)	-	-	-	-	-	1 (1)	3 (3)	-	-	-	-	-
Calcom Cement India Limited	Subsidiary	(2)	6 (6)	-	-	-	-	-	6 (2)	87 (58)	-	-	10	-	-
Dalmia DSP Limited *	Subsidiary	1 (1)	(8)	-	-	-	1	-	- (59)	837 (668)	-	-	-	-	-
OCL Global Limited	Subsidiary	-	1 (6)	-	-	-	(2)	-	1 (1)	53 (39)	-	-	31	-	-
OCL China Limited	Step down subsidiary	1 (0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RCL Cements Limited	Step down subsidiary	-	-	-	5 (5)	1 0	-	-	-	-	-	-	-	-	-
Rajputana Properties Private Limited	Subsidiary	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-
Vinay Cement Limited	Step down subsidiary	-	-	-	-	-	-	-	0	3 (3)	-	-	-	-	-
Others	Subsidiary	0	0	-	-	-	-	-	(34)	103	-	-	-	-	-
Mr. Jai Hari Dalmia	Non-Executive Director/ Relative of KMP	-	-	-	-	-	-	2	0 (0)	9 4	-	-	-	-	-
Mr. Yadu Hari Dalmia	Non-Executive Director/ Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	0	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	-	-	-	1 (1)	-	-	-
Mrs. Sudha Pillai	Independent Director	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-
Mr. Paul Heinz Hugentobler	Independent Director	-	-	-	-	-	-	-	-	-	-	0 (0)	-	-	-
Mr. Nickiodi Subrao Rajan	KMP of Holding company	1	-	-	-	-	-	-	-	-	0	0 (0)	-	-	-
		19 (63)	23 (24)	4	5 (5)	1 (1)	1 (45)	2	8 (61)	982 (858)	0	1 (1)	41	1	- (0)

All figures in ( ) represent balance outstanding as at March 31, 2019.
* Outstanding loan given to Alsthom Industries Limited and Dalmia DSP Limited of Rs. 14 and Rs. 45 respectively, has been converted into investment in optionally convertible debentures during the year (refer note 6(I)(e)).
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, 2020	March 31, 2019
Short-term employee benefits	22	40
Termination benefits	1	3
Post employment benefits	-	35
Share-based payments	3	3
Total managerial remuneration paid to key management personnel *	**26**	**81**

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 2018

Grant Date	Expiry Date	Exercise Price	March 31, 2020 Number outstanding *	March 31, 2019 Number outstanding *
January 29, 2015	January 29, 2021	108.62	72,000	1,32,000
February 03, 2016	February 03, 2022	191.77	4,40,000	6,00,000
			5,12,000	7,32,000

* Refer note 31

F) Corporate guarantee

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, 2019: Rs. 12).

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

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38. 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, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	55	2	62	3

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

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Financial assets carried at amortised cost				
Loans and advances to employees	16	14	16	14
Loans to related parties	992	868	992	868
Loans to others	3	3	3	3
Security deposits	59	51	59	51
Subsidies receivable	433	541	433	541
Incentive receivable	16	16	16	16
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	13	11	13	11
Investment in commercial papers (refer note 9(i))	-	139	-	139
Financial assets carried at fair value through profit or loss				
Foreign currency forward / option contracts (refer note 6(ii) and 9(vii))	55	62	55	62
Investment in optionally convertible debentures (refer note 6(i))	41	-	41	-
Investment in corporate bonds (refer note 9(i))	704	464	704	464
Investment in mutual funds (refer note 9(i))	852	359	852	359
Investment in alternative investment fund (refer note 9(i))	10	22	10	-
Investment in certificate of deposits (refer note 9(i))	74	-	74	-
Financial assets carried at fair value through OCI				
Investment in equity shares (refer note 6(i))	-	0	-	0
Financial liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,895	5,650	5,895	5,650
Security deposits received	439	365	439	365
Financial liabilities carried at fair value through profit or loss				
Foreign currency option contracts/ interest rate swap contract	2	3	2	3

The management 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) approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(c) The fair values of optionally convertible debentures (OCDs) of subsidiaries have been estimated using the fair valuation by independent valuer. The valuation requires management to make certain assumptions about the interest rate, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted instruments.

(d) The fair value of investment in corporate bonds/ certificate of deposits are based on quoted market prices 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.

(e) 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.

(f) 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, 2020 was assessed to be insignificant.

Description of significant unobservable inputs to valuation (Level 3):

(a) Discount rate are determined using prevailing bank lending rate.

(b) The fair values of financial assets and liabilities are determined using the discounted cash flow analysis.

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38. **Fair value hierarchy**

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, 2020:

Particulars	Fair value measurement using			Rs.
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (note 37)				
Loans and advances to employees	18	-	-	18
Loans to related parties	992	-	-	992
Security deposits	59	-	-	59
Subsidies receivable	433	-	-	433
Incentive receivable	18	-	-	18
Deposit with banks having remaining maturity of more than twelve months	13	-	13	-
Loans to others	3	-	-	3
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	5,895	-	5,895	-
Security deposits received	439	-	-	439
Assets measured at fair value				
Foreign currency forward / option contracts	56	-	56	-
Investment in optionally convertible debentures	41	-	-	41
Investment in certificate of deposits	74	74	-	-
Investment in corporate bonds	704	704	-	-
Investment in mutual funds	852	-	852	-
Investment in alternative investment fund	10	-	10	-
Liabilities measured at fair value				
Interest rate swap contract	2	-	2	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019

Particulars	Fair value measurement using			Rs.
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (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 papers	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 contracts	62	-	62	-
Investment in corporate bonds	464	464	-	-
Investment in mutual funds	359	-	359	-
Investment in alternative investment fund	22	-	22	-
Liabilities measured at fair value				
Interest rate swap contract	3	-	3	-

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

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

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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, 2020	Increase/ decrease in basis points	Effect on profit before tax
INR	+ 50 BPS	(11)
INR	- 50 BPS	11
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2

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

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

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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, 2020	Effect on profit before tax March 31, 2019
USD	5%	(34)	(18)
	-5%	27	18
EURO and Others	5%	(34)	0
	-5%	13	(0)

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 customers.

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, 2020			
Gross carrying amount (A)	287	104	391
Allowance for credit losses (B)	-	46	46
Net carrying amount (A-B)	287	58	345
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)	433	50	483

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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 in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 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 40% of the Company's debt will mature in less than one year at March 31, 2020 (March 31, 2019: 32%) 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 summerises 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	Carrying Value
As at March 31, 2020						
Borrowings	2,425	1,106	388	2,08[illegible]	[illegible]	[illegible]
Trade payables	673	-	-	-	673	673
Other financial liabilities	653	2	-	-	655	655
Lease liabilities	40	33	6	179	258	[illegible]
As at March 31, 2019						
Borrowings	1,812	[illegible]	456	[illegible]	5,727	[illegible]
Trade payables	749	-	-	-	749	749
Other financial liabilities	585	1	-	-	586	586

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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 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, 2020	March 31, 2019
Long term borrowings	3,479	3,841
Short term borrowings	1,230	890
Current maturities of long term borrowings	1,186	919
Less : Cash and cash equivalents	83	212
Less : Current investments	1,640	984
Less : Interest receivable on current investments (refer note 8(vi))	32	28
Net debt	4,130	4,426
Equity	9,168	9,165
Capital and net debt	13,298	13,591
Gearing ratio	31.06%	32.56%

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, 2020 and March 31, 2019.

41. Movement of provision during the year:

Rs.

Particulars	Mines reclamation	Contingencies
As at April 1, 2018	30	7
Additions during the year	11	-
Utilised during the year	-	(3)
Interest on unwinding	3	-
As at March 31, 2019	44	4
Additions during the year	7	-
Utilised during the year	-	(0)
Interest on unwinding	3	-
As at March 31, 2020	54	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.

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.

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

Rs.

Particulars	March 31, 2020	March 31, 2019
As an auditor		
i) Statutory audit fee	2	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 during previous year)	0	1
ii) Taxation matters	0	0
Reimbursement of expenses	0	0
	3	3

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

Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

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

Rs.

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	13	6
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 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 the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

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, 2020	March 31, 2019
Brought forward from last year	139	37
Expenditure incurred during the year		
Cost of raw materials consumed	13	-
Employee benefit expenses		
a) Salaries, wages and bonus	69	46
b) Contribution to provident and other funds	2	1
c) Gratuity expense	1	0
d) Employee stock option scheme	2	-
e) Workmen and staff welfare expenses	1	1
Interest cost **	82	10
Depreciation and amortisation expense	2	1
Power and fuel	29	0
Freight charges on internal clinker transfer	3	-
Other expenses		
a) Consumption of stores and spare parts	2	2
b) Repairs and maintenance - Plant and machinery	2	0
c) Rent	0	0
d) Rates and taxes	1	0
e) Insurance	0	0
f) Professional charges	58	36
g) Travelling and conveyance	3	2
h) Miscellaneous expenses	20	12
Total expenditure during the year	290	111
Less : Trial run production transferred from inventory	(8)	-
Less : Revenue from operations during trial run	(35)	-
Less : Capitalised during the year	(2)	(10)
Carried forward as part of Capital work-in-progress *	365	138
Carried forward as part of Intangible Asset under development	18	-

* Includes Rs. 313 (March 31, 2019 : Rs. 113) for new cement plants in Odisha along with new grinding capacity in eastern part of India (refer note 54).
** Interest for new cement plants in Odisha along with new grinding capacity in eastern part of India comprises of:
(i) Rs. 4 (March 31, 2019: Rs. Nil) on specific borrowings; and
(ii) Rs. 77 (March 31, 2019: Rs.10) on general borrowings using the weighted average interest rate applicable during the year which is 8.46% p.a. (March 31, 2019: 8.13% p.a.)

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 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 invested a total amount of Rs. 260 (March 31, 2019: Rs. 260) and Rs. 59 (March 31, 2019: 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. 837 (excluding trade receivables of Rs. 6) as at March 31, 2020 (March 31, 2019: Rs. 761 (excluding interest accrued and trade receivables of Rs. 94)) to fund its operational and capital expenditure. Calcom continues to provide required supports to its subsidiaries.

Calcom has, on consolidated basis, earned profit of Rs. 60 during the year ended March 31, 2020 (March 31, 2019: Rs. 175). However, Calcom has accumulated losses of Rs. 235 as at March 31, 2020 (March 31, 2019: Rs. 296). 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, continues to provide required support to Calcom 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 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. The disputes between the parties are pending adjudication before the Arbitral Tribunal (also refer note 34(B)).

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

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

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, 2020	Maximum amount outstanding during the year	Outstanding amount as at end of financial year March 31, 2019	Maximum amount outstanding during the Year
(I) Loans to subsidiaries				
Calcom Cement India Limited	837	908	658	740
Rajputana Properties Private Limited	3	3	3	6
Ishita Properties Limited	3	3	3	3
Alsthom Industries Limited	87	87	59	73
Chandrasekara Agro Farms Private Limited	0	0	-	2
Shri Rangam Properties Limited	-	-	-	9
Hemshila Properties Limited	-	-	-	6
Sri Madhusudana Mines & Properties Limited	-	-	-	6
Sri Shanmugha Mines & Minerals Limited	-	-	-	8
Sri Subramanya Mines & Minerals Limited	-	-	-	5
Sri Swaminatha Mines & Minerals Limited	-	-	-	3
D.I. Properties Limited	1	1	-	2
Bangaru Kamakshiamman Agro Farms Private Limited	4	4	-	8
Golden Hills Resort Private Limited	0	1	0	1
Jayevijay Agro Farms Private Limited	-	-	-	4
Dalmia Minerals & Properties Limited	-	-	-	52
Geetee Estates Limited	-	-	-	6
Sri Trivikrama Mines & Properties Limited	-	-	-	6
Dalmia DSP Limited	53	53	39	39
Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines and Minerals Limited)	-	1	0	0
	988	**1,081**	769	976
(II) Loan to step down subsidiaries				
Vinay Cement Limited	-	103	103	104
RCL Cements Limited	-	2	2	3
Cosmos Cement Limited	1	1	0	0
	1	**106**	105	107
(III) Loan to fellow subsidiaries				
Dalmia Power Limited	3	3	3	6
	3	3	3	6

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, 2018	Loan/ advances given during year	Loan received back during year	As at March 31, 2019	Loan/ advances given during year	Loan received back during year	Other adjustments *	As at March 31, 2020
(a) Loan given for business purposes								
- Loan to subsidiaries (refer note 46)	467	664	(371)	760	1,031	(744)	(59)	986
- Loan to step down subsidiaries (refer note 46)	102	5	(1)	106	1	(106)	-	1
- Loan to fellow subsidiaries (refer note 46)	6	-	(3)	3	-	-	-	3
- Loan to others	15	-	[illegible]	3	-	-	-	3
(b) Loan given for corporate purpose								
- Loan to others	38	49	(87)	-	-	-	-	-

* Other adjustments include outstanding loan given to subsidiary companies aggregating to Rs. 59, which has been converted into investment in optionally convertible debentures during the year (refer note 6(I)(a)).

Particulars of guarantees given

Rs.

Sl. No.	Name of the Company	Guarantee given during the financial year 2019-20 Rs.	Guarantee given during the financial year 2018-19 Rs.	Outstanding balance as at March 31, 2020 Rs.	Outstanding balance as at March 31, 2019 Rs.	Purpose
1	Rajputana Properties Private Limited	-	-	12	12	Guarantee given to bank for issuance of bank guarantee by a bank for corporate purpose

Particulars of investments made

Rs.

Sl. No.	Name of the Investee	Investments made during the financial year 2019-20	Investments made during the financial year 2018-19	Outstanding balance as at March 31, 2020	Outstanding balance as at March 31, 2019
1	Commercial papers	50	627	-	139
2	Certificate of Deposits	73	-	74	-
3	Corporate bonds	673	582	704	484

The details of investment of the Company are given in note 6(I).
*Outstanding loan given to subsidiaries amounting to Rs. 59 has been converted into Optionally Convertible Debentures during the current year (refer note 6(I)(a)).

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48. Disclosure in respect of Corporate Social Responsibility expenditure:

Rs.

Particulars	March 31, 2020	March 31, 2019
Gross amount required to be spent during the year	3	4
Amount spent during the year:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	4	6

49. The Company has debited direct expenses relating to limestone mining, captive power generation etc. to cost of raw materials consumed, power and fuel and other expenses as under:

Rs.

Particulars	March 31, 2020	March 31, 2019
Cost of raw materials consumed	339	337
Power and fuel expense	82	26
Other expenses:		
Repairs and maintenance - Plant and machinery	104	74
Miscellaneous expenses	5	5
	530	442

These expenses if reclassified on 'nature of expense' basis will be as follows :

Rs.

Particulars	March 31, 2020	March 31, 2019
Employee benefit expenses	35	33
Power and fuel expense	17	13
Other expenses:		
Consumption of stores and spare parts	177	153
Repairs and maintenance - Plant and machinery	59	62
Repairs and maintenance - Buildings	1	0
Repairs and maintenance - Others	7	9
Rent	1	4
Rates & taxes (including royalty on limestone)	207	213
Insurance	0	0
Professional charges	1	0
Miscellaneous expenses	28	22
Other operating revenue:		
Sundry sales / income	(3)	(67)
	530	442

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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.

The Company has identified 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue						
External revenue (including other operating revenue)	7,849	7,880	500	432	8,349	8,312
Inter segment revenue	8	8	7	9	15	17
	7,857	7,888	507	441	8,364	8,329
Less: Elimination	(8)	(8)	(7)	(9)	(15)	(17)
Total revenue	7,849	7,880	500	432	8,349	8,312
Results						
Segment results	440	284	(3)	25	437	309
Less: Finance costs					(405)	(494)
Add: Other Unallocable Income Net off Unallocable Expenditure					203	284
Profit before tax					235	99
Other disclosures						
Segment assets	14,802	14,681	445	754	15,247	15,435
Unallocable assets					3,356	2,742
Total assets					18,603	18,177
Total liabilities	1,825	1,753	85	85	1,910	1,838
Unallocable liabilities					7,525	7,174
Total liabilities					9,435	9,012
Capital expenditure	1,480	903	10	18	1,490	921
Depreciation and amortisation	1,321	1,218	11	8	1,332	1,226

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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Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

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, 2020	March 31, 2019
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	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%
Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines and 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%	100.00%
Hopco Industries Limited (w.e.f. December 21, 2018)	India	100.00%	100.00%
OCL Global Limited	Mauritius	100.00%	100.00%
b) Joint Ventures			
Khappa Coal Company Private Limited	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited	India	14.70%	14.70%

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52. During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments valued at Rs. 374 as on March 31, 2020 were illegally and fraudulently transferred by one of the Depository Participant ("DP"), from demat accounts of the Company. Based on the complaint filed by the Company and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (ISSL) not to deal with the Securities and also freezed all such Securities till further orders.

SEBI after complaint by the Company also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI / National Stock Exchange (NSE).

No final order has yet been passed by SEBI in the complaint lodged by the Company against DP and others in respect of fraudulent transfer of Securities from its demat accounts.

In the meantime, the clearing agent/ ISSL has also sought from Security Appellate Tribunal, Mumbai ("SAT") the annulment of trade of Future & Options contract entered into by DP. Such annulment of trades sought by clearing agent/ ISSL was directed by SAT vide its order dated July 3, 2019 to be heard by SEBI including grievance of all other investors. SEBI challenged the said order of SAT before Hon'ble Supreme Court. The Supreme Court, vide its interim order dated August 27, 2019, directed NSE Clearing Corporation Limited, to honour F&O segments contract which had matured on June 27, 2019. The Supreme Court also clarified that the payments so made shall be without prejudice to the rights and contentions of the parties and subject to the final outcome and directions which would be passed in the matter. The matter is still pending before Supreme Court. The matter is currently under investigation by Company through an independent firm of Chartered Accountants.

Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head for committing various offences under Indian Penal Code. The charge sheet is accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities from the demat accounts of the Company. After filing of charge sheet, the Company has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending.

Consequent to this, the Company, during the year, has valued these Securities at the fair market value existing on the reporting date and an amount of Rs. 30 has been credited to the statement of profit and loss under the head Other Income. The Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter. Hence, no provision is considered necessary in these financial statements.

53. The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:-

Rs.

Particulars	March 31, 2020	March 31, 2019
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	4
- Raw materials & stores	0	1
- Others	1	2
	5	7
Capital expenditure shown under fixed assets schedule	-	-
	5	7

54. The Company is setting up new cement plants in Odisha along with new grinding capacity in eastern part of India with total capacity of 8 MnTPA. The clinker manufacturing plant of 3 MnTPA has been commissioned and is under trial run. The cement grinding plants are under construction and part of the capacity is likely to be completed by 31st December, 2020.

The expenditure incurred on commissioning of the project, including the expenditure incurred on trial runs (net of trial run receipts), which is under progress of Rs. 1,437 as at March 31, 2020 (March 31, 2019: Rs. 328) is included under capital work-in-progress.

55. The Board of Directors of the Company, its subsidiary company namely Dalmia Bharat Refractories Limited (DBRL) (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and step-down subsidiary company namely Dalmia OCL Limited (Dalmia OCL) (formerly known as Ascension Commercial Private Limited) in their respective meetings held on November 14, 2019, approved the following:

(i) Scheme of Arrangement amongst the Company and DBRL and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 (Scheme 1) for transfer and vesting of refractory undertaking of the Company to DBRL, by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme is 1st April, 2019.

(ii) Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited (DRL) and its subsidiary GSB Refractories India Private Limited (GSB India), DBRL and Dalmia OCL and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 (Scheme 2). It involves (i) amalgamation of DRL with DBRL; (ii) amalgamation of GSB India with DBRL; and (iii) transfer and vesting of refractory undertaking of DBRL to Dalmia OCL by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme is April 1, 2020.

The Board of Directors of DRL also in their meeting held on 14th November, 2019 approved Scheme 2 as stated above. Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes has been considered in these financial statements.

56. The Company is having long term clinker sale agreement with M/s Jaiprakash Associates Limited (JAL) for supply of clinker upto July 2041. Till March 2018, there were irregular and short supply of clinker and from April 1, 2018, there was no supply of clinker. Thereafter, JAL unilaterally and illegally terminated the clinker sale agreement. The Company has challenged the termination in arbitration proceedings and has sought specific performance of the clinker sale agreement. The Company has alternatively sought damages alongwith interest. The Company has also sought liquidated damages and refund of the advance amount paid to JAL.

The Company has not accounted for the aforesaid claim as income in the books of accounts as at March 31, 2020.

57. (i) The Company has performed annual impairment testing for carrying value of goodwill of Rs. 987 (March 31, 2019: Rs. 1,389) 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 previous year, Company had acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of IBC and invested Rs. 150 as fresh equity in KCL. KCL became the wholly owned subsidiary of the Company w.e.f. July 10, 2018 and renamed as Dalmia DSP Limited. The Company has advanced loan of Rs. 53 and carried investment in unsecured Optionally Convertible Debentures of Rs. 31 as at year end.

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)).

Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

(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.

58. The Company's operations were impacted in the month of March 2020, due to temporary shutdown of all plants following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Operations have resumed in a phased manner taking into account directives from the Government during April 2020.

59. The Company, as per the Securities and Exchange Board of India (SEBI) Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018, is a Large Corporate and hence is required to disclose the following information about its borrowings:

i) Initial disclosure filed for the Financial Year 2019-20

Particulars	Details
Name of the Company	Dalmia Cement (Bharat) Limited
CIN	U65191TN1996PLC035963
Outstanding borrowing of Company as on 31st March, 2019(Rs. Crore)	Rs. 4,760 Crore *
Highest credit rating during the previous financial year 2018-19 along with the name of the credit rating agency	AA+/ Stable from India Rating and Research P Ltd.
Name of the Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

* Long term borrowings with original maturity of more than one year.

ii)Initial disclosure filed for the Financial Year 2020-21

Particulars	Details
Name of the Company	Dalmia Cement (Bharat) Limited
CIN	U65191TN1996PLC035963
Outstanding borrowing of Company as on 31st March, 2020(Rs. Crore)	Rs. 4,665 Crore *
Highest credit rating during the previous financial year 2019-20 along with the name of the credit rating agency	AA+/ Stable from India Rating and Research P Ltd.
Name of the Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

* Long term borrowings with original maturity of more than one year.

iii) Annual disclosure

Name of the Company	Dalmia Cement (Bharat) Limited
CIN	U65191TN1996PLC035963
Report filed for FY	2019-20

Details of the borrowings (all figures in Rs. Crore):

Particulars	Details
Incremental borrowing done in FY 2019-2020 (a)	Rs. 952 Crore*
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	Rs. 238 Crore
Actual borrowings done through debt securities in FY 2019-2020 (c)	Nil
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Rs. 238 Crore
Reasons for short fall, if any, in mandatory borrowings through debt securities	Incremental borrowing was in the form of Project Loan for longer tenure and other low cost funding

*Excluding impact of Foreign exchange fluctuation from date of availment of loan to March 31, 2020.

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Dalmia Cement (Bharat) Limited
Notes to standalone financial statements for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

60. 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 : June 12, 2020

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

per Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date : June 12, 2020

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

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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, 2020, 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 information provided by the management for 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, 2020, 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 4(a)(ii) to the accompanying consolidated financial statements for the year ended March 31, 2020 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, 2020 is lower by Rs. 402 crore. Our Opinion is not modified in respect of this matter.

b. We draw attention to Note 48 to the accompanying consolidated financial statements, as noticed by the Company during the year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at Rs. 374 crore as on March 31, 2020 were illegally and fraudulently transferred

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by one of the Depository Participants ("DPs"), from demat accounts of the Company. Based on the complaint filed by the Company and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and froze such Securities till further orders. Likewise, SEBI also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI / National Stock Exchange (NSE). Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities. After filing of charge sheet, the Company has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending. Consequent to this, the Company, during the current year, has valued these Securities at the fair market value existing as at March 31, 2020 and an amount of Rs. 30 crore has been credited in the statement of profit and loss under the head 'Other income'. The matter is sub-judice and as detailed in note referred above to the consolidated financial statement, is pending for further order/directives from Hon'ble Supreme Court and order of SEBI is also awaited. The matter is also currently under investigation by Company through an independent firm of Chartered Accountants. 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 modified in respect of this matter.

c. We draw attention to Note 34(C) 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 05, 2017. 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 statements. Our opinion is not modified in respect of this matter.

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 year. 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 their 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 preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, 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.

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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 statement of 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 its joint venture company which are companies incorporated in India, 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.

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

- 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 year 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-six (26) subsidiaries/step down subsidiaries whose financial statements/financial information reflect total assets of Rs. 2,322 crore as at March 31, 2020; as well as the total revenue of Rs. 1,430 crore for the year ended March 31, 2020, total profit after tax of Rs. 112 crore, total comprehensive income of Rs. 124 crore and net cash flow amounting to Rs. 0 crore for the year ended March 31, 2020, 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, 2020 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 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, 2020 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

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

concerns this joint venture company, for the year ended March 31, 2020 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 matters with respect to our reliance on the work done and the reports of the other auditors and information provided in relation to management certified financial statements.

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 subsidiaries and management certified financial statements for its joint venture company as 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 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 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 management certified financial statements of its joint venture company incorporated in India, none of the directors of the Group and its joint venture company is disqualified as on March 31, 2020 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 reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one subsidiary and one step down subsidiary incorporated outside India.

g) In our opinion, the managerial remuneration for the year ended March 31, 2020 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, 2020 on the consolidated financial position of the Group and its joint venture company -Refer Note 34 to the consolidated financial statements;

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

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

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

Sunil Wahal
Partner
Membership No. 87294

Place: New Delhi
Date: June 12, 2020
UDIN : 20087294AAAAEA7369

Annexure – 1 of the Auditors' Report on the consolidated financial statements for the year ended March 31, 2020 dated June 12, 2020

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
1.	Holding Company	**Impairment Assessment of Carrying Value of Goodwill** *(as described in note **4(a)** of the consolidated financial statements)*	
		(a) The Holding Company is carrying goodwill Rs. 966 crore (net of amortization) arisen on giving impact of Scheme of Arrangement and Amalgamations relating to slump exchange of undertaking of Odisha Cement Limited on going concern basis; (b) The Holding 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 cost of investment made over the net assets taken in transferor companies aggregating to Rs. 21 crore has been recorded as goodwill. For performing the impairment testing, the Holding 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. 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 involve 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.	• We have evaluated that the assumptions used by the management are in line with the present trend and information available. • We obtained and read the valuation report used by the management for determining the fair value of the of the cash generating unit. • We have assessed the valuation methodology used by the valuer and its professional competence and expertise. • Made inquiries with management to understand drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used. • Performed a sensitivity analysis on certain assumptions like discount rates and capitalization rates. • We have assessed the disclosures included in Note 4(a)(i) to the consolidated financial statements.
2.	The Company and Its subsidiary company "Calcom Cement India Limited"("CCIL")	**Amount of Recoverable Deferred Tax Asset with respect to Tax Losses as carry forward and unabsorbed depreciation and accumulation of MAT Credit Entitlement (refer note 16 of the consolidated financial statement)**	
		The Company and its subsidiary company CCIL are carrying recoverable deferred tax assets aggregating to Rs. 721 crore with respect to tax losses on carry forward and unabsorbed depreciation and MAT credit entitlement aggregating to Rs. 360 crore as at March 31, 2020. MAT credit entitlement has a	• We and statutory auditors of 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.

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

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
		limited period for utilization i.e. 15 years from the date such amount is available. Both the above-mentioned companies has ability to recognize these deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT credit assets as 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 Regulation in force. The assumptions of growth in sales and EBITDA 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.	• We and 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 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 statutory auditors of CCIL have evaluated the ageing of the carry forward MAT credit entitlement of the Company. • We and statutory auditors of CCIL have evaluated the disclosures included in Note 16 to the consolidated financial statements.
3.		**Trade Receivables and Advances given and Subsidies / Incentives Receivables from Government** *(as described in note 47 to the consolidated Financial Statements)*	
	The Holding Company	a. **Trade receivables and advances given** The Company has trade receivables and advances given. DCBL has taken necessary steps including legal action, whenever applicable, for the recovery of these balances. There are balances with slow recovery rate for which expected credit loss assessment has been done which involve judgement as to the recoverability and discounting of those receivables. Based on the past experience of realization and steps taken by the DCBL, it is confident of the 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 correspondence 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, whenever applicable. • We have evaluated the underlying documents against which these amounts are paid/ accrued as per eligibility criteria. • Made inquiries with management to understand assumptions of the expected loss assessment like time period and recoverability assessment. • We have obtained the representation from the management. • We have assessed the adequacy of the disclosures included in Note 47 to the consolidated financial statements.

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

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
	The Company and their subsidiary company "Calcom Cement India Limited ("CCIL") alongwith its subsidiaries	**Subsidies/Incentives receivables from government** The Company and CCIL alongwith its subsidiaries have subsidies receivables against various schemes of the state / central government. The Company and CCIL alongwith its subsidiaries has recognized such subsidies receivables as per the various provisions of the schemes. The amount of such subsidies are re-verified at the various levels by the government authorities and funds are released according to the availability of the overall funds for disposal with these authorities. Therefore, the above process requires a period of time for which management uses assumptions in respect of discount rate and estimated time for receipt of funds from government as specified in Note 29 (ix) of the consolidated Ind AS financial statement. Both the above mention companies has accounted such incentives/subsidies receivables at fair value based on the expected period of realization using adjusted incremental borrowings rate. Such expected period has been estimated considering the past trend of the realization. Considering, the nature and amount of receivables and estimating the expected time period of realization of receivables, which requires application of significant judgement to record them at fair value, we consider this as a significant key audit matter from the perspective of our audit.	• We and respective statutory auditors assessed that the subsidies / incentives are recognized by the Company and checked the compliance with the eligibility criteria. • We and respective statutory auditors have evaluated the process of estimation of time period of realisation by the management. • We and respective statutory auditors have tested the documentation on sample basis regarding the procedural delays in realizing the said incentives / subsidies. • We and respective statutory auditors have assessed the methodology applied by the Company and CCIL along with its subsidiary to comply with the requirements of Ind AS-20 and Ind AS-39. • We and respective statutory auditors have evaluated the design and tested the operating effectiveness of controls around the measurement of the said incentives / subsidies. We have tested arithmetical accuracy by performing recalculation procedure of the said incentives / subsidies where applicable. • We and respective statutory auditors have assessed the adequacy of the disclosures included in Note 47 to the consolidated Ind AS financial statements.

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

Annexure A to the Independent Auditors' Report to the members of Dalmia Cement (Bharat) Limited dated June 12, 2020 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 one subsidiary and one step down subsidiary 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, 2020, 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/step down 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 term of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to these consolidated financial statements.

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

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.

Opinion

In our opinion, the Group and its joint venture company incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group 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.

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 four 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 joint venture company, 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.

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

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

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

Sunil Wahal
Partner
Membership No. 87294

Place: New Delhi
Date: June 12, 2020
UDIN : 20087294AAAAEA7369

Dalmia Cement (Bharat) Limited
Consolidated Balance Sheet as at March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	Notes	As at March 31, 2020	Rs. As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2A	8,349	9,014
Capital work-in-progress	2B	1,707	502
Investment properties	3	0	0
Goodwill	4(a)	1,344	1,746
Other intangible assets	4(b)	2,750	2,867
Right-of-use assets	32	148	-
Intangible assets under development		36	14
Biological assets other than bearer plants	4(c)	0	0
Investments	5	64	64
Financial assets			
(i) Investments	6(i)	23	14
(ii) Loans	6(ii)	68	62
(iii) Other financial assets	6(iii)	132	396
Income tax assets		12	38
Other non-current assets	7	254	374
		14,887	**15,091**
Current assets			
Inventories	8	974	1,032
Financial assets			
(i) Investments	9(i)	1,676	986
(ii) Trade receivables	9(ii)	398	545
(iii) Cash and cash equivalents	9(iii)	152	268
(iv) Bank balances other than (iii) above	9(iv)	120	185
(v) Loans	9(v)	38	31
(vi) Other financial assets	9(vi)	697	619
Income tax assets		-	0
Other current assets	10	406	380
Assets held for sale	11	2	1
		4,463	**4,047**
Total assets		**19,350**	**19,138**
EQUITY & LIABILITIES			
Equity			
Equity share capital	12	314	314
Other equity	13	9,032	8,939
Equity attributable to Owners of the Parent Company		**9,346**	**9,253**
Non-controlling interest		25	11
Total equity		**9,371**	**9,264**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14(i)	3,505	4,014
(ii) Lease liabilities	32	45	-
(iii) Trade payables	14(ii)		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3	-
(iv) Other financial liabilities	14(iii)	3	6
Other non current liabilities	14A	94	117
Provisions	15	119	148
Deferred tax liabilities (net)	16	1,290	1,279
Government grants	17	122	119
		5,181	**5,683**
Current liabilities			
Financial liabilities			
(i) Borrowings	18(i)	1,246	908
(ii) Lease liabilities	32	35	-
(iii) Trade payables	18(ii)		
- total outstanding dues of micro enterprises and small enterprises		13	6
- total outstanding dues of creditors other than micro enterprises and small enterprises		828	914
(iv) Other financial liabilities		1,988	1,674
Government grants	17	18	10
Other current liabilities	19	542	550
Current tax liabilities		76	49
Provisions	20	52	80
		4,798	**4,191**
Total liabilities		**9,979**	**9,874**
Total equity and liabilities		**19,350**	**19,138**
Significant accounting policies	1B(iii)		

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
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: June 12, 2020

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

Mahendra Singhi
Managing Director and 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, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	Notes	Year ended March 31, 2020	Rs. Year ended March 31, 2019
Income			
Revenue from operations	21	9,661	9,454
Other income	22	163	206
Total income (I)		9,824	9,660
Expenses			
Cost of raw materials consumed	23	1,654	1,794
Purchase of stock in trade		67	138
Change in inventories of finished goods, work in progress and stock in trade	24	25	(147)
Employee benefits expenses	25	598	569
Finance costs:			
- Interest cost	26(a)	357	514
- Other finance cost (including exchange differences)	26(b)	54	47
Foreign currency fluctuation on borrowings etc. (net)		23	(9)
Depreciation and amortisation expense	2A(vi)	1,520	1,292
Power and fuel		1,738	1,756
Freight charges			
- on finished goods		1,681	1,598
- on internal clinker transfer		214	231
Other expenses	27	1,594	1,620
Total expenses (II)		9,525	9,403
Profit before tax (I-II)		299	257
Tax expense			
Current tax		95	84
Deferred tax (credit)		(13)	(123)
Tax adjustments for earlier years		24	10
Total tax expense		106	(29)
Profit after tax before share of profit in joint ventures		193	286
Add: Share of profit in joint ventures		0	0
Profit for the year (III)		193	286
Profit for the year attributable to:			
Non-controlling interest		14	41
Owners of the Parent Company		179	245
Other comprehensive income (OCI)			
A. Items that will not be reclassified to profit or loss			
- Re-measurement (loss) on defined benefit plans		(9)	(15)
- Change in fair value of financial instruments through other comprehensive income		7	-
- Income tax relating to items that will not be reclassified to profit or loss		1	5
B. Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign operations		7	1
- Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/ (loss) for the year (IV)		6	(9)
Other comprehensive income/ (loss) for the year attributable to:			
Non-controlling interest		(0)	(0)
Owners of the Parent Company		6	(9)
Total comprehensive income for the year (III+IV)		199	277
Total comprehensive income for the year attributable to:-			
Non-controlling interest		14	41
Owners of the Parent Company		185	236
Earnings per share	28		
Basic and Diluted Earnings Per Share (in Rupees) [Nominal Value of Share Rs.10 (Rs.10) each]		5.69	7.79
Significant accounting policies	1B(iii)		

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
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: June 12, 2020

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

Mahendra Singhi
Managing Director and 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, 2020
All amounts stated in Rs. are in Rs. Crore 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, 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**
Issue of share capital	-	-
As at March 31, 2020	**31,40,45,267**	**314**

* During the previous year, Parent Company had 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 Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench.

b. Share capital suspense

Share capital suspense	Rs.
As at April 1, 2018 *	6200
Change during the year	(6,200)
As at March 31, 2019	-
Issue of share capital	-
As at March 31, 2020	-

* Represented 79,794,080 number of equity shares of Rs. 10/- each fully paid up at a premium of Rs. 767/- per share, pending to be allotted to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to the Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench. These shares were allotted during the financial year 2018-19 and an amount of Rs. 80 was transferred to equity share capital and Rs. 6,120 to Securities premium account.

c. Other equity:

Rs.

Particulars	Attributable to Owners of the Parent Company										
	Reserve and Surplus						Other comprehensive income				
	Securities premium	Capital reserve	General reserve	Debenture redemption reserve	Retained earnings	Share based payment reserve	Exchange difference on translation of foreign operations	Equity instruments through OCI	Total other equity attributable to owners of the Parent Company	Attributable to Non-controlling interest	Total other equity
As at April 1, 2018	443	2	1	285	1,874	14	0	-	2,619	(30)	2,589
Profit for the year	-	-	-	-	245	-	-	-	245	41	286
Other comprehensive income (net of tax):											
Re-measurement (loss) on defined benefit plan	-	-	-	-	(10)	-	-	-	(10)	(0)	(10)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	1	-	1	0	1
Total comprehensive income for the year	-	-	-	-	235	-	1	-	236	41	277
Allotment of shares pursuant to Scheme of Arrangement and Amalgamation	6,120	-	-	-	-	-	-	-	6,120	-	6,120
Transfer to debenture redemption reserve	-	-	-	27	(27)	-	-	-	-	-	-
Reserve released during the year	-	(0)	-	(62)	62	-	-	-	(0)	-	(0)
Transfer to general reserve	-	-	0	-	(0)	-	-	-	-	-	-
Dividend paid (including dividend distribution tax) (note 13)	-	-	-	-	(40)	-	-	-	(40)	-	(40)
Employee stock option expense (refer note 31)	-	-	-	-	-	4	-	-	4	-	4
As at March 31, 2019	6,563	2	1	250	2,104	18	1	-	8,939	11	8,950
As at April 1, 2019	6,563	2	1	250	2,104	18	1	-	8,939	11	8,950
Profit for the year	-	-	-	-	179	-	-	-	179	14	193
Other comprehensive income (net of tax):											
Re-measurement (loss) on defined benefit plan	-	-	-	-	(6)	-	-	-	(6)	0	(6)
Change in fair value of financial instruments through OCI	-	-	-	-	-	-	-	5	5	-	5
Exchange difference on translation of foreign operations	-	-	-	-	-	-	7	-	7	(0)	7
Total comprehensive income for the year	-	-	-	-	173	-	7	5	185	14	199
Reserve released during the year	-	(0)	-	(195)	195	-	-	-	(0)	-	(0)
Transfer to general reserve	-	-	1	-	(1)	-	-	-	-	-	-
Share issue expenses	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Transfer to retained earnings on disposal of equity instruments through OCI	-	-	-	-	(0)	-	-	0	-	-	-
Dividends paid (including dividend distribution tax) (note 13)	-	-	-	-	(93)	-	-	-	(93)	-	(93)
Employee stock option expense (refer note 31)	-	-	-	-	-	2	-	-	2	-	2
As at March 31, 2020	6,562	2	2	55	2,378	20	8	5	9,032	25	9,057

For description of the purposes of each reserve within equity, refer note 13 of consolidated 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: June 12, 2020

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

Mahendra Singhi
Managing Director and 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 Cash Flows for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

	Notes	Year ended March 31, 2020	Rs. Year ended March 31, 2019
A. Cash flow from operating activities			
Profit before tax		299	257
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	2A(vi)	1,520	1,292
Impairment allowance (net)	27	20	2
Bad debts/ advances written off	27	2	3
Liabilities no longer required written back	22	(26)	-
Expenses on employees stock options scheme	25	1	4
Dividend (income)	22	-	(2)
Exchange difference (net)		73	32
Interest expense (including other borrowing costs)	26	360	561
Interest Income	22	(94)	(145)
(Profit) on sale of investments (net)	22	(17)	(167)
Gain/(loss) on change of fair value of investments measured at FVTPL	22	(25)	108
(Profit)/ loss on disposal of property, plant and equipment	22	(1)	3
Share of profit of a joint venture		0	0
Operating profit before working capital changes		**2,112**	**1,948**
Working capital adjustments:			
Decrease/(increase) in inventories		58	(243)
Decrease in trade receivables		123	14
Decrease in financial and other assets		196	391
(Decrease) in trade and other payables		(17)	(148)
(Decrease) in provisions and government grants		(60)	(27)
Cash generated from operations		**2,412**	**1,935**
Income tax refund /(paid) (net)		(49)	21
Net cash flow from operating activities		**2,363**	**1,956**
B. Cash flow from investing activities			
Purchase of property, plant & equipment and Intangible assets (net)		(1,365)	(912)
Proceeds from sale of property, plant & equipment		5	0
(Purchase)/ sale of current investments (net)		(648)	1,260
(Purchase)/ sale of non current investments (net)		(2)	(14)
Fixed deposits (placed)/ matured (having original maturity of more than three months)		65	(149)
Interest received		48	147
Dividend received	22	-	2
Net cash flow from/ (used) in investing activities		**(1,897)**	**334**
C. Cash flow from financing activities			
Proceeds from long term borrowings		1,071	256
(Repayment) of long term borrowings (net)		(1,365)	(1,783)
Availment of short term foreign currency loan		564	369
(Repayment) of short term foreign currency loan		(498)	(547)
Proceeds from other short term borrowings (net)		241	6
Repayment of lease liabilities	32	(39)	-
Interest paid		(463)	(597)
Dividends paid (Including dividend distribution tax)	13	(93)	(40)
Net cash flow (used in) financing activities		**(582)**	**(2,336)**
Net (decrease) in cash and cash equivalents (A+B+C)		**(116)**	**(46)**
Cash and cash equivalents at the beginning of the year		268	312
Add: Cash and cash equivalents acquired on acquisition of subsidiary company		-	2
Cash and cash equivalents at the end of the year	9(iii)	**152**	**268**

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'.

(b) Changes in liabilities arising from financing activities:

Rs.

Particulars	As at April 1, 2019	Cash flows	Fair value changes	Foreign exchange movement	Others	As at March 31, 2020
Non current borrowings	4,969	(294)	(18)	58	(11)	4,704
Current borrowings (refer note 18(i))	908	307	-	31	-	1,246

For lease liabilities, refer note 32.

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

Dalmia Cement (Bharat) Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2020
All amounts stated in Rs. are in Rs. Crore except wherever stated otherwise

Rs.

Particulars	As at April 1, 2018	Cash flows	Fair value changes	Foreign exchange movement	Others *	As at March 31, 2019
Non current borrowings	6,400	(1,527)	(4)	9	91	4,969
Current borrowings (refer note 18(i))	1,048	(172)	-	23	9	908

* Others includes on account of acquisition of Dalmia DSP Limited, subsidiary of the Group, on the acquisition date.

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 : June 12, 2020

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

Mahendra Singhi
Managing Director and CEO
DIN : 00243835

Gautam Dalmia
Director
DIN : 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Note 1

A. Corporate Information

The consolidated financial statements comprise financial statements of Dalmia Cement (Bharat) Limited ('the Company' or 'Parent Company'), its subsidiaries (collectively, the Group) and joint ventures for the year ended March 31, 2020. 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. Information on the Group's structure is provided in note 55.

The financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on June 12, 2020.

B. Significant accounting policies

(i) Basis of preparation

The consolidated financial statements of the Group 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 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 [refer accounting policy 1B(iii)(u)];
- Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments];
- Defined benefit plans - plan assets measured at fair value [refer accounting policy 1B(iii)(r)];
- Share based payments [refer accounting policy 1B(iii)(s)]
- Property, plant and equipment, referred in accounting policy 1B(iii)(j), at fair value as on the transition date i.e. April 1, 2015.

The consolidated financial statements are presented in Indian Rupee (Rs.) and all the values are rounded off to the nearest Crore, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees fifty lakhs.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and joint ventures as at March 31, 2020. 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

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

- 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated 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 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 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 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 AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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.

(iii) Summary of significant accounting policies

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group 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 had 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.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing

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

present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

b. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

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

Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit and loss.

c. Current versus non-current classification

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:

- 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 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.

d. Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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 the statement of profit or loss. Exchange differences on foreign currency borrowings, settlement gain/ loss and fair value gain/ loss on derivative contracts relating to borrowings are accounted for and disclosed under 'finance cost'.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Group 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

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

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.

Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupee at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

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:

a. In the principal market for the asset or liability, or

b. 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 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 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.

The Group'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 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.

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

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.

The management and the Group'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 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.

- Property, plant and equipment (note 2A)
- Intangible assets (note 4(a) and 4(b))
- 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 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 Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

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 Group and the revenue and costs, if applicable, can be measured reliably.

Sale of goods (including sale of scrap included under other operating revenue)
Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods. Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

The Group considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 days to 90 days.

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

Rebates are offset against amounts payable by the customer.

The Group follows the 'most expected value' method in estimating the amount of variable consideration. The Group estimates the variable consideration based on an analysis of accumulated historical experience.

Non-cash incentives
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.

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

Revenue from services
Revenue from marketing services is recognised over the period of time i.e. 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 are recognised at the point in time i.e. 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 "other income" in the statement of profit and loss.

Dividends
Dividend income is recognised 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 recognised 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.

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 and credited to the statement of profit and loss on a systematic basis over the useful life of the related asset. The Group has chosen to present grants related to an asset to be deducted in reporting the depreciation and amortisation expense.

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 recognised on a systematic basis over the period of the loan during which the Group recognises interest expense corresponding to such loan. Income arising from below-market rate of interest loans/ interest free loans, are included under 'other 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 Group with no future related costs, are recognised in statement of profit and loss of the period in which it becomes receivable. Government grants and subsidies are recognised in 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/ subsidy are intended to compensate. The Group 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 are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then

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

recognised in statement of profit and loss as other operating revenue on fulfilment of specified conditions attached to export obligations.

h. Income taxes

Tax expense comprise current 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 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 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 one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity'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,

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

the Group 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 concerned 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 are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. 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 are presented separately from other items in the balance sheet. Assets once classified as held for sale are not depreciated or amortised.

j. Property, plant and equipment

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

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 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 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. Refer to significant accounting judgements, estimates and assumptions (note 29) and provisions (note 41) for further information about the recorded decommissioning provision.

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 capitalised 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 the asset, including the expenditure incurred on trial runs (net of trial run receipts), are capitalised up to the date asset is ready for its intended use.

Depreciation charge

Depreciation on property, plant and equipment is provided on a straight-line basis, except for assets of manufacturing facilities situated at North East region wherein depreciation is provided on a written down value method with effect from July 1, 2019, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/ assessments.

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

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

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 *	25 to 30 years
Non-factory buildings *	30 to 60 years
Roads	3 to 10 years
Plant and equipments	
Continuous process plant	25 years
Other plant and equipment *	4 to 20 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
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
Assets of step down subsidiary namely OCL China Limited:	
House and Building	20 years
Machinery and mechanic 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 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.

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 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.

k. 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.

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

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 Group 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.

I. Intangible assets

(i) Goodwill as per Scheme of Arrangement and Amalgamation (Scheme) approved by NCLTs

a) Goodwill arisen on amalgamation of erstwhile Adwetha Cement Holdings Limited ('ACHL') with Parent Company 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 is being amortised in accordance with Scheme over a period of 4 years.

b) Goodwill arisen on amalgamation of Group's erstwhile subsidiary namely Adhunik Cement Limited (ACL) with Parent Company 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) (renamed to Dalmia Bharat Limited) to Parent Company by way of slump exchange has been recognised in accordance with Scheme approved by NCLT. Said goodwill and goodwill having underlying intangible assets is being amortised in accordance with approved scheme over a period of 5 years and 10 years respectively.

(ii) Mining rights

a) Parent Company has carried out fair valuation of mining rights of the mines of ACL (amalgamated with Parent Company from appointed date January 1, 2015 in accordance with Scheme approved by NCLT). 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 Parent 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 above mentioned mining rights as on transition date to Ind AS i.e. April 1, 2015 has been considered as deemed cost.

c) Mining rights include amounts paid for securing mining rights and are amortised over their estimated commercial life based on the unit of production method.

Expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work in progress or Intangible assets under development, as the case may be.

(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 Parent 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.

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

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 Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of computer software is estimated as 3 years to 6 years and accordingly amortised on a straight line basis over its useful life.

Research and Development Expenditure

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

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.

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

n. Leases

Policy applicable with effect from April 1, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Leasehold land is amortised over a period of lease.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

Policy relating to leases till March 31, 2019

Where the Group is lessee
The lease was classified at the inception date as a finance lease or an operating lease. The lease that transfers substantially all the risks and rewards incidental to ownership to the Group was classified as a finance lease.

Finance leases were 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 were

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

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 were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they were incurred.

The leased asset was depreciated over the useful life of the asset. In case there was no reasonable certainty that the Group would obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were 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 was 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, fuels 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 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 Group 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.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

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

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 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 CGUs) 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 cannot be 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 recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine reclamation liability

The 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.

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 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 Group does not recognise 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 Group has no obligation, other than the contribution payable to the respective funds. The Group recognises 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 recognised 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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. Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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 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. Re-measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group 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 Parent 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 of the holding company are accounted for as equity settled as the Parent Company has no obligation to settle the share-based payment transaction and also the shares are of holding company.

The cost of equity-settled transactions is determined by the fair value (obtained by the holding company being the administrator of the scheme) at the date when the grant is made using an appropriate valuation model.

Cost is recognised, together with a corresponding increase in Employee stock options outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's 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 Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

t. 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.

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. 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 Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

A 'financial asset' 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 Group. 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 other 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 receivables, loans and other receivables.

Financial assets at FVTOCI (debt instruments)

A 'financial asset' 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 recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Group has not designated any financial asset (debt instruments) as at FVTOCI.

Financial assets designated at fair value through OCI (equity instruments)

On initial recognition of an equity instrument that is not held for trading, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

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

Subsequently, these financial assets are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Gains and losses on these financial assets are never recycled from other comprehensive income to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Dividends on these investments are recognised as 'other income' in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably unquoted investment in compulsorily convertible preference shares and non-listed equity investments included under other non-current financial assets under this category.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group 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 Group has designated investment in listed equity instrument, mutual funds, bonds and derivative instruments as at FVTPL.

Derecognition
A financial asset is primarily derecognised when:
► The rights to receive cash flows from the asset have expired, or
► The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group 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 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
► Trade receivables

The application of simplified approach does not require the Group 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 Group 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 Group 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 Group considers:

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

► 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 Group 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) recognised 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 Group 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 Group's financial liabilities include trade and other payables, loans and borrowings including 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 Group 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 Group. 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).

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.

S.S. Kothari Mehta & Company Chartered Accountants NEW DELHI

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.

u. Derivative financial instruments

Initial recognition and subsequent measurement
The Group 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.

v. Segment reporting

Identification of segments
Operating Segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments.

Inter-segment transfers
The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items
Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

w. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. 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.

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

y. Cash dividend

The Group recognises a liability to pay dividend to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. 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. Interim dividends are recognised as a liability on the date of declaration by the Parent Company's Board of directors.

C. Recent accounting pronouncements

(i) New and amended standards

The Group applied Ind AS 116 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is 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/ notified.

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous year figures.

Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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

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

Based on the above, as at April 1, 2019:

- Right-of -use assets of Rs. 160 were recognised and presented separately in the balance sheet. This includes the lease assets recognised previously under finance leases of Rs. 71 that were reclassified from Property, plant and equipment.

- Additional lease liabilities of Rs. 89 were recognised.

- Obligations under finance lease of Rs. 1 have been reclassified to lease liabilities.

On application of Ind AS 116, in the statement of profit and loss for the current year, operating lease expenses has changed from rent (included under 'Employee benefits expenses' and 'Other expenses') to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability.

Consequent to above, there is a reduction in rent expense by Rs. 48, increase in interest expense by Rs. 9 and increase in depreciation charge by Rs. 42.

The adoption of Ind AS 116 did not have any significant impact on the profit and earnings per share of the current year.

The Group has lease contracts for various items of buildings (godowns, office and residential premises), vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to note 1B(iii)(n) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to note 1B(iii)(n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	
Operating lease commitments as at March 31, 2019 (Rs.)	8
Weighted average incremental borrowing rate as at April 1, 2019	10.00%
Discounted operating lease commitments as at April 1, 2019 (Rs.)	5
Less:	
Commitments relating to short-term leases (Rs.)	-
Commitments relating to leases of low-value assets (Rs.)	-
Add:	
Commitments relating to leases previously classified as finance leases (Rs.)	1
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019 (Rs.)	84
Lease liabilities as at April 1, 2019 (Rs.)	**90**

(b) Amendment to existing issued Ind AS

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments

ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

iii) Amendment to Ind AS 12, Income Taxes

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

iv) Amendment to Ind AS 23, Borrowing costs

v) Amendments to Ind AS 109, Financial instruments: Prepayment Features with Negative Compensation

vi) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests in associates and joint ventures

vii) Ind AS 103, Business Combinations

viii) Ind AS 111 Joint Arrangements

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

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

All amounts stated in Rs. are in Rs. Crore 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, 2018	1,017	70	1,165	8,481	19	22	39	47	10,860
Additions on acquisition	31	-	46	182	0	0	4	3	266
Additions	42	1	28	374	2	3	13	7	470
Disposals	0	-	0	130	0	1	0	0	131
Exchange difference **	-	(0)	(0)	2	(0)	(0)	(0)		2
Other adjustments	-	11	-	(1)	(0)	0	0	-	10
As at March 31, 2019	**1,090**	**82**	**1,239**	**8,908**	**21**	**24**	**56**	**57**	**11,477**
Additions	60	-	22	257	2	3	13	10	367
Disposals	-	-	2	80	0	2	1	-	85
Exchange difference **	-	-	1	3	-	(0)	0	-	4
Reclassified on account of adoption of Ind AS 116 (refer note	-	(82)	-	-	-	-	-	(3)	(85)
Other adjustments	(3)	-	(1)	3	(0)	(2)	(0)	-	(3)
As at March 31, 2020	**1,147**	**-**	**1,259**	**9,091**	**23**	**23**	**68**	**64**	**11,675**
Depreciation									
As at April 1, 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
Disposals	-	-	0	127	0	1	0	-	128
Reclassification	-	-	-	-	(0)	(0)	(0)	-	(0)
Exchange difference **	-	2	-	(1)	(0)	0	0	-	1
As at March 31, 2019	**24**	**14**	**252**	**2,094**	**9**	**11**	**29**	**30**	**2,463**
Charge for the year	10	-	88	840	3	3	10	1	955
Disposals	-	-	1	76	0	1	1	-	79
Reclassified on account of adoption of Ind AS 116 (refer note	-	(14)	-	-	-	-	-	(0)	(14)
Other adjustments	-	-	0	(1)	0	2	0	-	1
Exchange difference **	-	-	(0)	(0)	-	(0)	(0)	-	(0)
As at March 31, 2020	**34**	**-**	**339**	**2,857**	**12**	**15**	**38**	**31**	**3,326**
Net block									
As at March 31, 2020	**1,113**	**-**	**920**	**6,234**	**11**	**8**	**30**	**33**	**8,349**
As at March 31, 2019	**1,066**	**68**	**987**	**6,814**	**12**	**13**	**27**	**27**	**9,014**

* Refer note 1(B)(iii)(j)

** includes foreign currency translation of foreign operations.

Notes:

(i) Freehold land having gross block of Rs. 13 (March 31, 2019: Rs. 13) is pending to be registered in the name of the Parent Company.

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

(iii) 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) Limited, 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 Parent Company.

(iv) Disposals from (i) Plant and equipment having gross block of Rs. 5 (March 31, 2019: Rs. 7) and accumulated depreciation of Rs. 4 (March 31, 2019: Rs. 6) and (ii) Vehicles having gross block of Rs. Nil (March 31, 2019: Rs. 0) and accumulated depreciation of Rs. Nil (March 31, 2019: Rs. 0) transferred to 'Assets held for sale'.

(v) Adjustment in Leasehold land during the previous year represented mines reclamation cost transferred from Other intangible assets.

(vi) Reconciliation of depreciation and amortisation expense:

Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation expense on:		
Property, plant and equipment (PPE) *	955	751
Goodwill	402	420
Other intangible assets	132	137
Right-of-use assets	45	-
As per PPE, Intangible assets and Right-of-use assets Schedule	**1,534**	**1,308**
Less:		
Cost allocated to capital work-in-progress (note 43)	(2)	(14)
Adjustment against recoupment from deferred capital subsidy (refer note 17(i))	(12)	(2)
As per statement of profit and loss	**1,520**	**1,292**

* Also refer note 29(vi).

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

Rs.

	As at March 31, 2020	As at March 31, 2019
Movement of capital work in progress		
Opening balance	502	183
Additions during the year	1,442	528
Capitalised during the year	(234)	(208)
Transfer to intangible assets under development	-	(1)
Other adjustments	(3)	-
Closing balance *	**1,707**	**502**

* Refer note 51.

Note:

(i). Details of expenses capitalised and carried forward as a part of capital work in progress are disclosed in note 43.

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

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

3. Investment properties
4 (a). Goodwill
4 (b). Other intangible assets
4 (c). Biological assets other than bearer plants

Rs.

Particulars	3. Investment properties (Freehold land)	4 (a) Goodwill			4 (b) Other intangible assets					4 (c) Biological assets other than bearer plants $$
		Goodwill on consolidation	Goodwill **	Total	Computer software	Mining rights ^	Raw materials procurement rights #	Brands $	Total	
Deemed Cost * / Cost										
As at April 1, 2018	0	218	3,087	3,305	14	1,174	279	1,973	3,440	0
Additions on acquisition	-	139	-	139	-	-	-	-	-	-
Additions	-	-	-	-	2	-	-	-	2	0
Other adjustments	-	-	-	-	-	(11)	-	-	(11)	-
As at March 31, 2019	**0**	357	3,087	3,444	16	1,163	279	1,973	3,431	**0**
Additions	-	0	-	0	7	8	-	-	15	-
Disposals	-	-	-	-	0	-	-	-	0	-
As at March 31, 2020	**0**	357	3,087	3,444	23	1,171	279	1,973	3,446	0
Amortisation										
As at April 1, 2018	0	-	1,278	1,278	8	129	63	230	430	-
Charge for the year	-	-	420	420	3	49	9	76	137	-
Other adjustments	-	-	-	-	-	(3)	-	-	(3)	-
As at March 31, 2019	0	-	1,698	1,698	11	175	72	306	564	**0**
Charge for the year	-	-	402	402	3	44	9	76	132	-
Disposals	-	-	-	-	0	-	-	-	0	-
As at March 31, 2020	0	-	2,100	2,100	14	219	81	382	696	**0**
Net block										
As at March 31, 2020	0	357	987	1,344	9	952	198	1,591	2,750	**0**
As at March 31, 2019	0	357	1,389	1,746	5	988	207	1,667	2,867	**0**

* Refer note 1(B)(iii)(k) & 1(B)(iii)(l).

Notes:

Investment properties

(i) 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.

(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 Parent Company as disclosed in note no. 14(i).

(iv) As at March 31, 2020 and March 31, 2019, the fair values of the properties is Rs. 3 and Rs. 3 respectively.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. 987 (March 31, 2019: Rs. 1,389) 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 16.35% (March 31, 2019: 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:

Growth rate assumptions – A reduction to 0% 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 20.50% 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 22% would result in value in use being lower than carrying amount of the assets.

(ii) Amortisation of recognised goodwill

The Group had accounted for (i) amalgamation of Adwetha Cement Holdings Limited in accordance with requirement of Accounting Standard (AS)- 14 "Accounting for Amalgamations" and (ii) slump exchange of all the assets and liabilities forming part of Undertakings of Odisha Cement Limited ('ODCL') (renamed to Dalmia Bharat Limited) to the Parent Company on a going concern basis based on allocation report prepared in accordance with AS- 10, notified under Section 133 of the Companies Act, 2013, as referred to in various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s).

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, 2020 is lower by Rs. 402^^ (March 31, 2019 : Rs. 420).

^^ includes Rs. 32 (March 31, 2019: 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 with effect from January 1, 2019.

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

^ 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 Parent Company from appointed date January 1, 2015). A sum of Rs. 194 was 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 Parent Company by way of slump exchange from the appointed date January 1, 2015. A sum of Rs. 969 was assigned to these mining rights.

(c) Adjustment in 'Mining rights' during the previous year represented mines reclamation cost transferred to 'property, plant and equipment'.

 # 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.

$$ Biological assets other than bearer plants represent livestock. The livestock comprises of milch catties and the produce is utilised for welfare of the employees. It is measured at cost as the fair value cannot be measured reliably.

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

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

	As at March 31, 2020	Rs. As at March 31, 2019
5. Investments		
A. Equity shares		
(i) Investment in joint ventures accounted as per equity method (unquoted)		
7,348,000 (March 31, 2019: 7,348,000) Shares of Rs.10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited (refer note (a) below)	7	7
Less : Impairment allowance	(3)	(3)
	4	4
1,836,500 (March 31, 2019: 1,836,500) Shares of Rs.10/- each fully paid up in Khappa Coal Company Private Limited (refer note (b) below)	2	2
Less: Impairment in the value of investment	(2)	(2)
	-	-
(ii) Others (unquoted)		
36,000 (March 31, 2019: 36,000) Shares of Rs.10/- each fully paid up in G.S. Homes & Hotels Private Limited	1	1
B. Debentures (unquoted) - at cost		
5,900 (March 31, 2019: 5,900) zero coupon optionally redeemable convertible debentures of Rs. 1,00,000/- each in Saroj Sunrise Private Limited (refer note (c) below)	59	59
12 (March 31, 2019: 12) 8% non convertible secured debentures of Rs. 100/- each fully paid up in Indian Chamber of Commerce	0	0
2 (March 31, 2019: 2) 8% non convertible secured debentures of Rs. 25/- each partly paid up in Indian Chamber of Commerce	0	0
C. Others (unquoted) - at cost		
50 (March 31, 2019: 50) units of Rs.100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
	64	64
Aggregate amount of unquoted investments	64	64
Aggregate amount of impairment in value of investments	5	5

Notes:

a) In respect of license granted for captive mining block at Radhikapur mines, a joint venture company viz. Radhikapur (West) Coal Mining Private Limited was incorporated on March 29, 2010 in which the Parent Company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.70%. The Parent Company had invested Rs. 7 (March 31, 2019: Rs.7) in equity shares of its joint venture which includes Rs. 4 (March 31, 2019: 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, 2019: Rs. 3) was made in earlier years in the financial statements.

b) The Parent 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 Parent Company had invested 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, Group in earlier years has provided for its exposure in its joint venture viz. Khappa Coal Company Private Limited amounting to Rs. 6 (March 31, 2019: Rs. 6).

c) The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise Private Limited are in the nature of equity investment (refer note 46(i)).

	As at March 31, 2020	As at March 31, 2019
6. Financial assets		
(i) Non-current investments		
A. Investments measured at fair value through OCI		
(i) Equity shares (unquoted)		
Nil (March 31, 2019: 449) Shares of Rs.10/- each fully paid up in Smarterhealth Techserve Private Limited	-	0
Nil (March 31, 2019: 374) Shares of Rs.10/- each fully paid up in Pumpcharge Internet Private Limited	-	0
Nil (March 31, 2019: 449) Shares of Rs.10/- each fully paid up in Exchange 4 Solar Private Limited	-	0
Nil (March 31, 2019: 145) Shares of Rs.10/- each fully paid up in Khetify Solutions Private Limited	-	0
(ii) Preference shares (unquoted)		
62,621 (March 31, 2019: 62,621) Series A1 Compulsorily Convertible Participative Preference Shares of Rs.100/- each fully paid in Freight Commerce Solutions Private Limited (refer note below)	21	14
7,231 (March 31, 2019: Nil) Series A2 Compulsorily Convertible Participative Preference Shares of Rs.100/- each fully paid up in Freight Commerce Solutions Private Limited (refer note below)	2	-
B. Investments measured at fair value through profit or loss		
Units of debt based schemes of various mutual funds (unquoted)	0	0
	23	14
Aggregate book value of unquoted investments	23	14
Aggregate amount of impairment in value of investments	-	-

Note:
During the year, Group has further invested Rs. 2 (March 31, 2019: Rs. 14) in compulsorily convertible participative preference shares (CCPS) of Rs. 100/- each fully paid in Freight Commerce Solutions Private Limited. These CCPS carry non-cumulative dividend equal to zero point zero zero one percent (0.001%) per annum of the face value and are in the nature of equity. Investment in CCPS have been carried at fair value through other comprehensive income as per Ind AS 109. Accordingly, fair value gain of Rs. 7 is credited in other comprehensive income during the year.

	As at March 31, 2020	As at March 31, 2019
(ii) Loans		
(Unsecured considered good, unless otherwise stated)		
Security deposits		
- Unsecured, considered good	55	49
- Unsecured, considered doubtful	3	3
	58	52
Less: Impairment allowance (allowance for doubtful advances)	(3)	(3)
	55	49
Loans to employees	13	10
Loans to a related party (refer note 36)	-	3
	68	62

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

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

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

Rs.

	As at March 31, 2020	As at March 31, 2019
(iii) Other financial assets		
(Unsecured considered good, unless otherwise stated)		
Subsidies/ Incentives receivable		
- Unsecured, considered good	110	336
- Unsecured, considered doubtful	0	0
	110	336
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	110	336
Deposit with banks having remaining maturity of more than twelve months *	16	12
Advance against share application money	4	4
Less: Impairment allowance (allowance for doubtful advances)	(4)	(4)
	-	-
Interest receivable	1	0
Derivative Instruments at fair value through profit and loss		
Foreign currency option contracts	5	48
	132	396

* Includes Rs. 15 (March 31, 2019 : Rs. 12), deposits kept with banks against bank guarantees given / are pledged with various authorities as margin money.

	As at March 31, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Security Deposits	55	49
Loans to employees	13	10
Loans - related party	-	3
Subsidies/ Incentives receivable	110	336
Deposit with banks having remaining maturity of more than twelve months	16	12
Interest receivable	1	0
Total financial assets carried at amortised cost	195	410
Break up of financial assets carried at fair value through profit and loss		
Foreign currency option contracts	5	48
	5	48
Break up of financial assets carried at fair value through OCI		
Investment in compulsorily convertible participative preference shares	23	14
Investment in equity shares	-	0
	23	14

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

	As at March 31, 2020	As at March 31, 2019
Capital advances		
- Secured *	16	89
- Unsecured, considered good	177	233
- Unsecured, considered doubtful	2	2
	195	324
Less: Impairment allowance (allowance for doubtful advances)	(2)	(2)
	193	322
Advances other than capital advances		
Prepayments	15	7
Deposit and balances with Government departments and other authorities		
- Unsecured, considered good	46	45
- Unsecured, considered doubtful	1	0
	47	45
Less: Impairment allowance (allowance for doubtful advances)	(1)	(0)
	46	45
Other advances		
- Unsecured, considered doubtful	0	0
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	-	-
	254	374

* secured against bank guarantees held.

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

	As at March 31, 2020	As at March 31, 2019
Raw materials		
On hand	175	221
In transit	7	11
Work in progress	113	82
Finished goods	190	147
Stock in trade	2	92
Packing materials		
On hand	35	27
In transit	-	0
Fuel		
On hand	270	274
In transit	31	19
Stores, spares etc.		
On hand	150	158
In transit	1	1
	974	1,032

Amount of Rs. 6 (March 31, 2019: 19) was recognised as an expense in respect of write down of inventory to net realisable value.
Inventories are hypothecated against the secured borrowings of the Group as disclosed in note 18(i).

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

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

Rs.

	As at March 31, 2020	As at March 31, 2019
9. Financial assets		
(i) Current Investments		
A. Investment measured at amortised cost		
Commercial papers (unquoted)	-	139
B. Investment measured at fair value through profit and loss		
(a) Corporate bonds (quoted)	704	464
(b) Units of debt based schemes of various mutual funds (unquoted)	888	361
(c) Alternative investment fund (unquoted)	10	22
(d) Certificate of deposits (quoted)	74	-
	1,676	986
Aggregate book value of quoted investments	778	464
Aggregate market value of quoted investments	778	464
Aggregate book value of unquoted investments	898	522
(ii) Trade receivables		
Trade receivables	389	539
Receivables from related parties (refer note 36)	9	6
	398	545
Break-up for security details :		
Trade receivables		
Secured, considered good (refer note (a) below)	193	239
Unsecured, considered good	472	490
Trade receivables - credit impaired	71	58
	736	787
Less: Accrual for rebates / discounts	(253)	(175)
Less: Accrual for free supplies	(14)	(9)
Less: Impairment allowance (allowance for doubtful receivables):		
Trade receivables - credit impaired	(71)	(58)
	(338)	(242)
	398	545

Notes:

(a) Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.
(b) Trade receivables are netted off with bills discounted of Rs. 2 (March 31, 2019: Rs. 8).
(c) No trade or other receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.
(d) Trade receivables are hypothecated against the secured borrowings of the Group as disclosed in note 18(i).
(e) For information on financial risk management objectives and policies, refer note 39.

	As at March 31, 2020	As at March 31, 2019
(iii) Cash and cash equivalents		
Balances with banks :		
- On current accounts *	99	137
- On cash credit	7	9
- On deposit accounts with original maturity of less than three months **	44	95
Cheques on hand	2	27
Cash on hand	0	0
	152	268

* Balances with current accounts include Rs. 0 (March 31, 2019: 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 Parent Company and OCL Iron and Steel Limited in respect of coal block operations.
** Includes Rs. 0 (March 31, 2019 : Rs. 0), deposit kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

	As at March 31, 2020	As at March 31, 2019
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks :		
- On current accounts	99	137
- On cash credit	7	9
- On deposit accounts with original maturity of less than three months	44	95
Cheques on hand	2	27
Cash on hand	0	0
	152	268
(iv) Bank balances other than (iii) above		
Deposit accounts (with remaining maturity Less than 12 months) *	120	185
	120	185

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 3.50% p.a. to 8.41% p.a. (March 31, 2019 : 5.75% p.a. - 9.00% p.a.).

At March 31 2020, the Group had available Rs. 461 (March 31, 2019: Rs. 587) of undrawn committed borrowing facilities.

* Includes Rs. 20 (March 31, 2019: Rs. 33), deposit receipts whereof have been kept with banks against bank guarantee given/ are pledged with various authorities.

	As at March 31, 2020	As at March 31, 2019
(v) Loans		
(Unsecured, considered good unless otherwise stated)		
Security deposits	24	21
Loans to employees	8	7
Loans to a related party (refer note no 36)	3	-
Loans to others	3	3
	38	31

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

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

	As at March 31, 2020	Rs. As at March 31, 2019
(vi) Other financial assets		
(Unsecured, considered good unless otherwise stated)		
Subsidies receivable		
- Unsecured, considered good	597	552
- Unsecured, considered doubtful	0	0
	597	552
- Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	597	552
Interest receivable		
- Unsecured, considered good */**	39	41
- Unsecured, considered doubtful	0	0
	39	41
- Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	39	41
Other financial assets		
- Unsecured, considered good	11	12
- Unsecured, considered doubtful	0	0
	11	12
- Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	11	12
Financial assets carried at fair value through statement of profit or loss		
Foreign currency forward/option contracts ***	50	14
	697	619

* includes Rs. 1 (March 31, 2019 : Rs. 1 from a related party (refer note 36).

** includes interest receivable of Rs. 32 (March 31, 2019: Rs. 28) on corporate bonds, certificate of deposits and commercial papers included in current investments under note 9(i).

*** 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.

	As at March 31, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Investment in commercial papers	-	139
Trade receivables	398	545
Cash and cash equivalents	152	268
Other bank balances	120	185
Loans to employees	8	7
Loans - related party	3	-
Loans to others	3	3
Subsidies/ Incentive receivable	597	552
Interest receivable	39	41
Security deposit	24	21
Other financial assets	11	12
	1,355	1,773
Break up of financial assets carried at fair value through profit or loss		
Investment in corporate bonds	704	464
Investment in mutual funds	888	361
Investment in certificate of deposits	74	-
Investment in alternative investment fund	10	22
Foreign currency forward / option contracts	50	14
	1,726	861

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

	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advances to suppliers		
- Secured (refer note below)	25	25
- Unsecured, considered good	136	216
- Unsecured, considered doubtful	8	7
	169	248
Less: Impairment allowance (allowance for doubtful advances)	(8)	(7)
	161	241
Prepayments	20	10
Deposit and balances with government departments and other authorities		
- Unsecured, considered good	225	85
- Unsecured, considered doubtful	1	-
	226	85
Less: Impairment allowance (allowance for doubtful advances)	(1)	-
	225	85
Other receivables:		
- Related party (refer note 36)	-	43
- Others	0	1
	406	380

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

11. Assets held for sale

	As at March 31, 2020	As at March 31, 2019
Assets classified as held for sale	2	1
	2	1

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at 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, 2019: Rs. 0) as depreciation expense in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

NEW DELHI

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

	As at March 31, 2020	Rs. As at March 31, 2019
12. Share Capital		
Authorised :		
385,350,000 (March 31, 2019: 385,350,000) Equity Shares of Rs. 10/- each	385	385
30,000,000 (March 31, 2019: 30,000,000) Preference Shares of Rs. 100/- each	300	300
723,000,000 (March 31, 2019: 723,000,000) Unclassified Shares of Rs. 10/- each	723	723
	1,408	1,408
Issued, subscribed and fully paid up :		
314,045,267 (March 31, 2019: 314,045,267) Equity Shares of Rs. 10/- each	314	314
	314	314

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	31,40,45,267	314	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	31,40,45,267	314

* During the previous year, Parent Company had 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 Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench.

b. Terms/ rights attached to equity shares
The Parent 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 Parent 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, except in case of interim dividend which is paid as and when declared by the Board of Directors.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Equity shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs.	No. of shares	Rs.
Dalmia Bharat Limited (including its nominees) (formerly known as Odisha Cement Limited)	31,40,45,267	314	31,40,45,267	314

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

	As at March 31, 2020		As at March 31, 2019	
	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%	31,40,45,267	100.00%

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

	As at March 31, 2020	As at March 31, 2019
	No. of shares	No. of shares
Equity shares of Rs.10/- each fully paid up issued during the year 2018-19 to Dalmia Bharat Limited (formerly known as Odisha Cement Limited), pursuant to Scheme of Arrangement and Amalgamation	7,97,94,080	7,97,94,080

f. Shares reserved for issue under options

Information related to DBL ESOP Scheme 2018, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 31.

13. Other equity		
Capital reserve		
Opening balance as per last financial statements	2	2
Less: Released during the year	(0)	(0)
Closing balance	2	2
Securities premium		
Opening balance as per last financial statements	6,563	443
Add: Premium on allotment of equity shares pursuant to Scheme of Arrangement and Amalgamation	-	6,120
Less: Share issue expenses	(1)	-
Closing balance	6,562	6,563
Debenture redemption reserve		
Opening balance as per last financial statements	250	285
Add: Created during the year	-	27
Less: Released during the year	(195)	(62)
Closing balance	55	250
Share based payment reserve		
Opening balance as per last financial statements	18	14
Add: Addition during the year	2	4
Closing balance	20	18

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

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

	As at March 31, 2020	Rs. As at March 31, 2019
General reserve		
Opening balance as per last financial statements	1	1
Add: Transfer from surplus balance in statement of profit and loss	1	0
Closing balance	2	1
Exchange differences on translating the financial statements of a foreign operations		
Opening balance as per last financial statements	1	0
Additions during the year	7	1
Closing balance	8	1
Retained earnings		
Balance as per last financial statements	2,104	1,874
Add: Amount transferred from debenture redemption reserve	195	62
Profit for the year	179	245
Items of OCI recognised directly in retained earnings		
- Re-measurement (loss) on defined benefit plan (net of tax)	(6)	(10)
Add: Transfer to retained earnings on disposal of equity instruments through OCI	(0)	-
Less: Appropriations		
Transferred to debenture redemption reserve	-	27
Transfer to general reserve	1	0
Dividends paid	77	33
Tax on dividends	16	7
Total appropriations	94	67
Net surplus in the statement of profit and loss	2,378	2,104
Other comprehensive income		
Opening balance as per last financial statements	-	-
Add: Changes during the year	5	-
Less: Transfer to retained earnings on disposal of equity instruments through OCI	0	-
	5	-
Total other equity	9,032	8,939
Dividend distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended March 31, 2019: Rs. 1.229 per share (March 31, 2018: Rs. 1.044 per share)	39	33
DDT on final dividend	8	7
Interim dividend for the year ended on March 31, 2020: Rs. 1.229 per share (March 31, 2019: Rs. Nil)	39	-
DDT on interim dividend	8	-
	93	40
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2020 : Rs. Nil (March 31, 2019 : Rs. 1.229 per share)	-	39
DDT on proposed dividend	-	8
	-	47

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.
On February 6, 2020, the Board of Directors of the Parent Company declared an interim dividend of Rs. 39 for the financial year 2019-20, which has been paid during the year 2019-20.

Description of nature and purpose of each reserve

(a) Capital reserve- Capital reserve includes amount created during consolidation.

(b) 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.

(c) 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 available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued by the Parent Company.

(d) Share based payment reserve- The Parent 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.

(e) 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.

(f) Exchange differences on translating the financial statements of a foreign operations- are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(g) 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.

(h) Equity instruments through Other Comprehensive Income- The Group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the 'Equity instruments through Other Comprehensive Income' within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

14. Financial liabilities

	As at March 31, 2020	As at March 31, 2019
(i). Borrowings		
Secured		
A. Redeemable non-convertible debentures (refer sub note 1 below)	718	1,379
Less: Shown in current maturities of long term borrowings	(474)	(540)
	244	839
B. Term loans:		
i. From banks (refer sub note 2 below)		
a. Foreign currency loan	578	573
b. Indian rupee loan from banks	2,820	2,365
Less: Shown in current maturities of long term borrowings	(613)	(106)
	2,785	2,832
ii. From financial institution (refer sub note 3 below)	-	7
Less: Shown in current maturities of long term borrowings	-	(2)
	-	5
iii. From others (refer sub note 4 below)	207	275
Less: Shown in current maturities of long term borrowings	(107)	(25)
	100	250
C. Deferred payment liabilities (refer sub note 5 below)	19	15
Less: Shown in current maturities of long term borrowings	(1)	-
	18	15
D. Finance lease obligation (refer sub note 6 below)	-	1
Less: Shown in current maturities of long term borrowings	-	(0)
	-	1
Total (i)	3,147	3,942

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

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

Rs.

	As at March 31, 2020	As at March 31, 2019
Unsecured		
E. Foreign currency loans from banks (refer sub note 7 below)	358	346
Less: Shown in current maturities of long term borrowings	-	(277)
	358	69
F. Redeemable preference shares (refer sub note 8 below)	1	1
Less: Shown in current maturities of long term borrowings	(1)	-
	-	1
G. Long term loans and deposits from a related party	-	5
Less: Shown in current maturities of long term borrowings	-	(5)
	-	-
H. Loan from others (refer sub note 9 below)	2	2
Less: Shown in current maturities of long term borrowings	(2)	-
	-	2
Total (II)	358	72
Total non current borrowings (I) +(II)	3,505	4,014
Total current maturities of long term borrowings disclosed in note 18(III)	1,199	955

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

i) 9.91% Series B Rs. Nil (March 31, 2019: Rs. 197) were redeemable in January 2020. The debentures are fully repaid during the year.

ii) 9.91% Series C Rs. 182 (March 31, 2019: Rs. 296) are redeemable in January 2021. The debentures are partially early redeemed during the year.
In respect of (i) and (ii) above, debentures are secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units of Parent Company situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal).

iii) 10.75% Series 1A Rs. Nil (March 31, 2019: Rs. 34) were secured by first pari-passu charge on (a) land, building, assets, plant & equipment of Dalmiapuram unit of Parent Company and (b) plot at Gujarat and redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018. The debentures are fully repaid during the year.

iv) 10.75% Series III A,B,C and Series IV P,Q,R Rs. Nil (March 31, 2019: Rs. 70) were secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of Dalmiapuram unit of Parent Company 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 III P,Q,R and redeemable in three yearly instalments commencing from August 2017. The debentures are fully repaid during the year.

v) 8.65% Rs. 85 (March 31, 2019: Rs. 125) are secured by first pari-passu charge over specified movable and immovable property, plant and equipment of Dalmiapuram, Kadappa and Ariyalur units of Parent Company and redeemable in October 2019 and October 2020.

vi) 8.70% Rs. 20 (March 31, 2019: 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 Parent Company and redeemable in October 2021.

vii) 9.90% Rs. 399 (March 31, 2019: 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 cement units of Parent Company 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.

viii) Rs. 32 (March 31, 2019: Rs. 38) are secured by creating mortgage on land at Chimur, Distt. Chandrapur, Maharashtra in favour of Debenture Trustees namely IDBI Trusteeship Services Ltd., Mumbai besides mortgage on all other immovable properties of Dalmia DSP Limited, a subsidiary of the Group, acquired under Insolvency and Bankruptcy Code, 2016 (IBC) during the previous year. As per approved Resolution Plan, the holders of NCD shall be paid an amount of Rs. 80 towards full and final settlement of all dues including any default interest or any other charges. 50% of the settlement amount was paid within 30 days from the effective date and balance is payable in five equal annual installments starting from July 10, 2019.

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

i) Rs. 376 (March 31, 2019: Rs. 384) are secured by first pari-passu charge including mortgage on immovable and movable fixed assets of cement units of Parent Company at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur), at 1 year MCLR plus 0.30% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) Rs. 462 (March 31, 2019: Rs. 464) are secured by first pari-passu charge on entire property, plant and equipment (movable and immovable) of cement unit of Parent Company located at Belgaum, Karnataka both present & future (except specific equipment financed by ECA) at 1 year MCLR plus 0.30% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) Rs. 338 (March 31, 2019: Rs. 345) are secured by way of first pari-passu charge over movable and immovable property, plant and equipment pertaining to cement units of Parent Company at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur) at 3 months MCLR plus 0.20% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2019 till March 2030.

iv) Rs. 288 (March 31, 2019: Rs. 289) carrying interest rate at 1 Year MCLR plus 0.40% p.a. (present 8.30% p.a) are secured by way of first pari-passu charge on property, plant and equipment (movable & immovable) of the cement plant of Parent Company 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, 2019: Rs. 192) carrying interest rate at 6 months MCLR plus 0.45% p.a. (present 8.25% p.a) are secured by way of first pari-passu charge on property, plant and equipment (movable & immovable) of the cement plant of Parent Company 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. 455 (March 31, 2019: Rs. 423) carrying interest at 6 months EURIBOR plus 2.50% p.a. secured by way of first pari-passu charge on hypothecation over and movable fixed assets of power plant assets of Parent Company 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. 24 (March 31, 2019: Rs. 31) carrying interest at 6 months LIBOR plus 2.05% p.a (present 3.99% p.a) are secured by way of exclusive charge on Roller Press acquired through this loan for projects at Belgaum of Parent Company. 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. 113 (March 31, 2019: Rs. 130) carrying interest at 1 year MCLR plus 0.30% p.a (present 8.85% p.a) are secured by mortgage and first charge on all the movable and immovable fixed assets (both property, plant and equipment and intangible assets) of the cement unit of Parent Company located at Meghalaya (both present and future) and 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. 249 (March 31, 2019: Rs. 264) carrying interest at 6 months MCLR plus 0.45% p.a (present 8.45% 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 of Parent Company 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. Nil (March 31, 2019: Rs. 0) carried interest rate of 10.00% p.a was secured by way of first and exclusive charge on the vehicles purchase therefrom in Parent Company. The loan was repayable in 60 monthly instalments of Rs. 0 each commencing from February 2015.

xi) Rs. 98 (March 31, 2019: Rs. 119) 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 of Parent Company 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, 2019 and one instalment on USD 2,285,714.80 on December 15, 2022.

xii) Rs. 210 (March 31, 2019: Rs. 217) carrying interest at 1 year MCLR plus 0.25% p.a. (present 9.00% p.a.) are secured by first pari - passu charge on all movable and immovable fixed assets (both present and future) of the cement unit of Parent Company located at Jharkhand Cement Works, Bokaro. The loan is repayable in unequal 54 structured quarterly instalments of commencing from November 2016.

xiii) Rs. 594 (March 31, 2019: Rs. Nil) carrying interest at 1 year MCLR plus 0.75% (present 8.90% p.a.) are secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units of Parent Company situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack & Jajpur), OCL Bengal Cement Works (Midnapore, West Bengal) and Village Chak Sarupan (Vaishali, Bihar). The loan is repayable in 52 unequal quarterly instalments commencing from February 2022.

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

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

xiv) Rs. Nil (March 31, 2019 : 45) was primarily secured by way of equitable motgage created on factory land and buildings and hypothecation charge on all movable and immovable assets (both present and future), excluding land of Alsthom Industries Limited, a subsidiary of the Group. Besides the above, loan was additionally secured by way of corporate guarantee given by holding company of step-down subsidiary. The loan was repayable in 108 structured monthly instalments starting from June, 2018. The loan is fully repaid during the year.

xv) Rs. Nil (March 31 2019: Rs. 36) carried interest rate at 1 year MCLR plus 0.10% p.a. to 1.50% p.a., were secured by first pari passu charge on entire property, plant and equipment (immovable and movable assets) and intangible assets, both present and future of Calcom Cement India Limited (Calcom), a subsidiary of the Group and second pari-passu charge on all other assets of Calcom. These loans were also secured by way of pledge of equity shares of Calcom held by its erstwhile promoters, their relatives and two subsidiaries of Calcom. Further, secured by personal guarantee of one director and two former directors of Calcom. During the year, these loans (including interest accrued) are taken over by its Holding company i.e. Dalmia Cement (Bharat) Limited aggregating to Rs. 34 from the bank after entering into Novation agreement with Calcom along with the bank.

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

i) Rs. Nil (March 31 2019: Rs. 7) carried interest at 1 year MCLR plus 0.10% p.a were secured by first pari passu charge on entire property, plant and equipment (movable and immovable) and intangible assets except assets charged exclusively to banks/ FIs for other specific purposes of Calcom. Further secured by second pari passu charge on all other assets of Calcom. The loan was repayable in 31 structured quarterly instalments starting from April 1, 2014 to October 1, 2021. The loan is fully repaid during the year.

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, 2019: Rs. 163) carrying interest @ 0.10% p.a., are secured by way of first pari-passu charge on movable and immovable properties of cement unit of Parent Company at Dalmiapuram and is repayable in five unequal instalments starting from April 2019 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. 44 (March 31, 2019: Rs. 40) carrying interest @ 0.10% p.a. are secured by way of second pari-passu charge on movable and immovable properties of cement units of Parent Company located at Dalmiapuram and Ariyalur. Repayment schedule is yet to be finalised. Loan was received post transition to Ind AS and accounted at fair value with a difference being recognised as government grant (refer note 17(iii)).

iii) Rs. Nil (March 31, 2019 Rs. 72) were secured by mortgage and first pari pasu charge on all the movable and immovable properties (both tangible and intangible) of Calcom, both present and future and a second pari pasu charge on the entire assets of Calcom. The loan is repayable in 31 structured instalments starting from April 2019 till October 2021 and carried interest @ 3 months Libor plus 2.50% p.a. The loan was availed in foreign currency. During the current year, Group has repaid the remaining amount of loan of Rs. 66 and written back Rs. 6 as per final settlement.

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

i) Rs. 6 (March 31, 2019: Rs. 5) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of Parent Company located at Karnataka from March 28, 2015 to December 31, 2016. The loan is secured by way of a bank guarantee issued by Parent 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 being recognised as government grant (refer note 17(iii)).

ii) Rs. 3 (March 31, 2019: Rs. 2) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of Parent Company located at Karnataka from January 2017 to June 2017. The loan is secured by way of a bank guarantee issued by Parent 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 being recognised as government grant (refer note 17(iii)).

iii) Rs. 7 (March 31, 2019: Rs. Nil) interest free loan in respect of 14% p.a of SGST paid within Karnataka on the sale of goods produced at Belgaum plant of Parent Company located at Karnataka from July 2017 to March 2019. The loan is secured by way of a bank guarantee issued by Parent Company and is repayable in 12 yearly equal instalments starting from March 5, 2033. 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 government grant (refer note 17(iii)).

iv) Rs. 3 (March 31, 2019: Rs. 7) interest free central excise loan from Government of India disbursed through IFCI Limited is secured by creating mortgage on immovable properties of Dalmia DSP Limited, a subsidiary of the Group. As per approved Resolution Plan by NCLT, an amount equal to 50% of total loan shall be paid within 30 days from the effective date (i.e. July 10, 2018) and balance 50% is payable in five equal annual installments starting from July 10, 2019.

6) Land lease obligation referred to in D above were included in borrowings until March 31, 2019, but were reclassified to lease liabilities on April 1, 2019 in the process of adopting the new leasing standard. Such obligation 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, 2019: Rs. 173) 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. The loan was fully repaid during the year.

ii) Rs. Nil (March 31, 2019: Rs. 69) 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. The loan was fully repaid during the year.

iii) Rs. Nil (March 31, 2019: Rs. 104) 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. The loan was fully repaid during the year.

iv) Rs. 158 (March 31, 2019: Rs. Nil) carrying interest at 3 months LIBOR plus 2.40% p.a. and is repayable at the end of 15 months from the date of disbursement i.e. February 24, 2020.

v) Rs. 200 (March 31, 2019: Rs. Nil) carrying interest at 6 months EURIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. March 15, 2020.

8) **Redeemable Preference Shares referred to in F above to the extent of:**

i) 0% redeemable preference shares of Rs.10 each, issued by subsidiaries of the Group at a premium of Rs.10/- per share. The holder of redeemable preference shares shall not be entitled for preferred dividend. All 0% redeemable preference shares shall be redeemed on the redemption date, being 12.5 years from the date of their allotment i.e. November 2020.

9) **Loan from others reffered to H above to the extent of:**

Loan from others of Rs. 2 (March 31, 2019: Rs. 2) availed by one of the subsidiary of the Group, is interest free loan and repayable as per approved Resolution Plan.

(iii). Trade payables

Total outstanding dues of micro and small enterprises (refer note 35)	-	-
Total outstanding dues of creditors other than micro and small enterprises	3	-
	3	-

For maturity profile of trade payables, refer note 39.

(iv). Other financial liabilities

Security deposits received	-	2
Interest rate swap contract	2	-
Payable for purchase of property, plant and equipment	1	4
	3	6

Financial liabilities carried at amortised cost

Borrowings	3,505	4,014
Non-current lease liabilities (refer note 32)	45	-
Trade payables	3	-
Security deposits received	-	2
Payable for purchase of property, plant and equipment	1	4
	3,554	4,020

Financial liabilities carried at fair value through profit and loss

Interest rate swap contract	2	-
	2	-

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

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

	As at March 31, 2020	As at March 31, 2019
14A. Other non current liabilities		
Statutory dues *	94	117
	94	117

* Above dues are payable by the Group after two years moratorium period from effective date i.e. July 10, 2018 in five equal annual installments subject to grant of incentive from State Government of Bihar as per approved Resolution Plan in case of subsidiary of the Group namely Dalmia DSP Limited.

	As at March 31, 2020	As at March 31, 2019
15. Provisions		
For mines reclamation liability (refer note 41)	53	43
For gratuity (refer note 30)	62	67
For contingencies (refer note 41)	4	38
	119	148

16. Income taxes

(i) The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

	As at March 31, 2020	As at March 31, 2019
Profit or loss section:		
Current income tax :		
Current income tax charge	95	84
Adjustment of tax relating to earlier years	(6)	2
Deferred tax :		
Relation to origination of temporary differences	79	(40)
MAT credit entitlement	(92)	(83)
Adjustment of tax relating to earlier years	30	8
Income tax expense/ (credit) reported in the statement of profit or loss	106	(29)
OCI section:		
Deferred tax related to items recognised in OCI during the year		
Net loss on re-measurement of defined benefit plan	3	5
Change in fair value on financial instruments through OCI	(2)	-
Income tax credit charged to OCI	1	5

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax	299	257
Applicable tax rate	25.00%-34.944%	25.00%-34.944%
Computed tax expense	102	90
Adjustment of tax relating to earlier years	24	11
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(2)	(45)
Recognition of deferred tax credit on origination and reversal of temporary differences for earlier years	-	(111)
Unrecognised tax assets	24	13
Temporary difference reversing within tax holiday period (refer note 29(vi))	(63)	21
Amortisation of goodwill in books considered as not deductible in provision for tax	25	18
Other non-deductible expenses for tax purposes	1	(1)
Change in deferred tax balances due to change in income tax rates	-	2
Realisation of brought forward long term capital loss not recognised in the books due to prudence	(1)	(11)
Others	(4)	(16)
Income tax reported in statement of profit and loss	106	(29)

On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Group is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

(iii) Deferred tax:

Rs.

Deferred tax relates to the following:	Balance sheet		Statement of profit or loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax liabilities				
Property, plant and equipment (including goodwill and other intangible assets)	2,372	2,687	(315)	62
Others	91	1	90	(4)
Total deferred tax liabilities	2,463	2,688	(225)	58
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent	34	53	19	(15)
Carry forward of tax losses/ unabsorbed depreciation	745	1,054	309	(57)
Others	25	30	5	(23)
Total deferred tax assets	804	1,137	333	(95)
Deferred tax expense/ (income)			108	(37)
Deferred tax liabilities (net)	1,659	1,551	108	(37)
MAT credit entitlement	369	272		
Deferred tax liabilities (net)	1,290	1,279		
Reconciliation of deferred tax liabilities (net):				
Opening balance as at April 1	1,279	1,344		
Tax expense during the year recognised in profit or loss	109	(32)		
Tax expense during the year recognised in OCI	(1)	(5)		
MAT credit entitlement	(97)	(28)		
Closing balance as at March 31	1,290	1,279		

The Group 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 Group has unabsorbed depreciation and business losses, that are available for offsetting against future taxable profits of the company in which the undepreciation depreciation or busines losses arisen.

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 Group to utilise the above MAT credit entitlement and carried forward tax losses and 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 Parent Company.

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

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

	As at March 31, 2020	Rs. As at March 31, 2019
17. Government grant		
(i) Deferred capital investment subsidy (refer sub note (a) below)		
At the beginning of the year	69	77
Accrual during the year	-	-
Released to the statement of profit and loss (refer note 2A(vi))	(12)	(2)
Adjustment on account of short approval of subsidy claim	(0)	(6)
At the end of the year	57	69
(ii) Deferred export promotion capital goods(Refer sub note (b) below)		
At the beginning of the year	1	18
Released to the statement of profit and loss	(1)	(13)
Other adjustment		(4)
At the end of the year	-	1
(iii) Deferred government grant(Refer sub note (c) below)		
Released to the statement of profit and loss	59	47
Accrual during the year	30	17
Released to the statement of profit and loss	(6)	(5)
At the end of the year	83	59
Total (i)+(ii)+(iii)	140	129
Non current	122	119
Current	18	10

Notes:

(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) Based on the fulfilment of export obligations i.e. export of goods to customers within specified period, Group has recognised government grant (to the extent of custom duty saved on import of plant and equipments and deferred until the achievement of specified conditions) in the statement of profit and loss.

(c) The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest/ interest free loans is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair Value) and the proceeds received. Government grant is recognised in the statement of profit and loss on a systematic basis over the period of the loan during which the entity recognises as interest expense, the related costs for which the grants are intended to compensate.

18. Financial liabilities

(i). Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Cash credit from banks	10	51
(b) Working capital loan from banks	176	-
(c) Foreign currency loan from banks:		
- Buyer's credit	360	276
- Supplier's credit	-	18
- Packing credit foreign currency	7	3
Total (A)	553	348
Unsecured		
(d) From a related party (refer note 36)	5	-
(e) From others	16	16
(f) Commercial papers	644	544
(g) Foreign currency loan from banks:		
- Buyer's credit	28	-
Total (B)	693	560
Total short term borrowings (A+B)	1,246	908

1) **Cash credit from Banks referred to in A above to the extent of:**
(i) Rs. 10 (March 31, 2019 Rs. 49) are secured by hypothecation of inventories and trade receivables of Parent Company by way of first pari passu charge with all other banks in the consortium and carry interest rate in the range of 7.60% p.a. to 8.37% p.a. (March 31, 2019: 8.50% p.a. to 10.35% p.a.).

(ii) Rs. Nil (March 31, 2019 : Rs. 2) were primarily secured by hypothecation charge on the current assets of subsidiary, Dalmia DSP Limited, both present and future, and collaterally secured by factory land and buildings, all plant & machineries and other movable assets of the said subsidiary, both present and future. This loan carried an interest rate of 0.15% above 1 year MCLR and was repayable on demand.

2) **Working capital loan from banks referred to in B above to the extent of:**
Rs. 176 (March 31, 2019: Rs. Nil) are secured by way of first pari passu charge over all current assets of the Parent Company and carrying interest rate in the range of 7.60% p.a. to 8.30% p.a.

3) **Foreign currency loans from banks referred to in (c) above to the extent of:**
(i) Rs. 360 (March 31, 2019: Rs. 276) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables of Parent Company, in their favour ranking pari- pasu on inter se basis repayable in less than one year and carry interest rate at 6 months/ 12 months LIBOR plus 0.30% p.a. to 0.48% p.a. (presently 1.09% p.a. to 2.55% p.a.) (March 31, 2019: 2.82% p.a. to 3.92% p.a.).

(ii) Rs. Nil (March 31, 2019: Rs. 18) were secured by consortium bankers on the security of hypothecation of inventories and trade receivables of Parent Company in their favour ranking pari- pasu on inter se basis repayable in less than one year and carried interest rate at 6 months LIBOR plus 0.40% p.a. (i.e. 3.05 % p.a.).

(iii) Rs. 7 (March 31, 2019: Rs. 3) are secured by hypothecation of inventories and trade receivables of Parent Company 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 2.84% p.a. (March 31, 2019: 2.00% p.a. to 4.74% p.a.).

4) Loan from a related party referred to in (d) above carry interest rate of 9.00% p.a and is repayable in November 2020 with renewal option.

5) **Loan from others referred to in (e) above to the extent of:**

(i) Rs. 7 (March 31, 2019: Rs. 7) from bodies corporate are repayable on demand and carry interest @ 18% p.a.

(ii) Rs. 9 (March 31, 2019: Rs. 9) payable by Dalmia DSP Limited, a subsidiary of the Group, to unsecured financial creditors towards full and final settlement of their claims as per Resolution Plan approved by NCLT. The amount shall be paid within 30 days from the effective date subject to grant of incentive from State Government of Bihar to subsidiary as specified in the approved resolution plan.

6) Commercial papers referred to in (f) above are payable in three months and carry interest rate in the range of 5.65% p.a. to 5.90% p.a. (March 31, 2019: 7.40% p.a. to 7.70% p.a.).

7) Buyer's credit from a bank referred to in (g) above is repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.37% p.a. (presently 2.35% p.a.).

NEW DELHI

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

	As at March 31, 2020	As at March 31, 2019
(iii). Trade payables		
Total outstanding dues of micro and small enterprises (refer note 35)	13	6
Total outstanding dues of creditors other than micro and small enterprises *	828	914
	841	920

* Trade payables include due to related parties Rs. 17 (March 31, 2019: Rs. 52) (refer note 36)
For maturity profile of trade payables and other financial liabilities, refer note 39.

	As at March 31, 2020	As at March 31, 2019
(iv). Other financial liabilities		
Current maturities of long term borrowings (refer note 14(i))	1,199	955
Current maturities of finance lease obligations (refer note 14(i))	-	0
Interest accrued but not due on borrowings	24	44
Interest accrued and due on borrowings	16	17
Security deposits received	497	403
Payables for purchase of property, plant and equipment (including payable to related parties Rs. 4 (March 31, 2019: Rs. Nil)) (refer note 36) #	140	120
Accrued employee liabilities (including payable to related parties Rs. 1 (March 31, 2019: Rs. Nil)) (refer note 36)	61	58
Foreign currency option contracts/ interest rate swap contract	-	3
Directors' commission payable	1	1
Purchase consideration payable *	30	41
Other liabilities	20	32
	1,988	1,674

Notes:

*** Purchase consideration payable include:**

a) Consideration of Rs. 30 payable upon fulfilment of certain project conditions as part of Shareholders Agreement. In the event, project conditions are not fulfilled, Bawri Group (BG), other shareholder of Calcom, is obligated to refund Rs. 32 out of tranche 1 payment made by the Parent Company to BG. As the project conditions were not fulfilled, the liability to pay Rs. 30 has been disputed by the Parent Company and claim of Rs. 32 has been made. The matter is currently under arbitration. Refer note 45(i) for terms and conditions.

b) Rs. Nil (March 31, 2019: Rs. 11) towards purchase consideration payable against earlier years.

Including dues of micro enterprises and small enterprises of Rs. 1 (March 31, 2019: Rs. Nil) (refer note 35).

	As at March 31, 2020	As at March 31, 2019
Financial liabilities carried at amortised cost		
Borrowings	1,246	908
Lease liabilities(refer note 32)	35	-
Trade payables	841	920
Current maturities of long term borrowings	1,199	955
Interest accrued but not due on borrowings	24	44
Interest accrued and due on borrowings	16	17
Security deposits received	497	403
Payables for purchase of property, plant and equipment	140	120
Directors' commission payable	1	1
Purchase consideration payable	30	41
Accrued employee liabilities	61	58
Other liabilities	20	32
	4,110	3,500
Financial liabilities carried at fair value through statement of profit or loss		
Foreign currency option contracts/ interest rate swap contract	-	3
	-	3

	As at March 31, 2020	As at March 31, 2019
19. Other current liabilities		
Liability towards dealer incentive *	133	83
Advances from customers	153	127
Other liabilities		
- Statutory dues	213	304
- Others	43	36
	542	550

* Liability towards dealer incentive relates to in-kind discount granted to the customers as part of sales transaction and has been estimated with reference to the relative standalone selling price of the products for which they could be redeemed.

	As at March 31, 2020	As at March 31, 2019
20. Provisions		
For mines reclamation liability (refer note 41)	3	3
For gratuity (refer note 30)	26	5
For leave encashment	22	36
For other employee benefits	0	4
For export promotion capital goods (refer note 41)	1	31
For contingencies (refer note 41)	-	1
	52	80

NEW DELHI

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

	Year ended March 31, 2020	Rs. Year ended March 31, 2019
21. Revenue from operations		
Revenue from contracts with customers		
- Sale of products	9,492	9,174
- Sale of services	10	14
	9,502	9,188
Subsidies on sale of finished goods	121	218
Government grant	-	12
Other operating revenue	38	36
	9,661	9,454

Notes:

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

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
- Cement and its related products	8,884	8,595
- Refractories	513	565
- Power	2	14
- Others *	93	-
Total sale of products	9,492	9,174
Sale of services		
Management service charges	1	1
Marketing services	9	11
Business auxiliary services	-	2
Total sale of services	10	14
Total revenue from contracts with customers	9,502	9,188

* represent sale of investment considered as stock-in-trade under inventories.

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:		
Revenue as per contract price	10,670	10,053
Less: Discount and Incentives	1,168	865
Revenue from contracts with customers	9,502	9,188

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

Total revenue from contracts with customers	9,502	9,188
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	121	218
Government grant	-	12
Other operating revenues	38	36
Revenue as per the statement of profit and loss	9,661	9,454

b. Contract balance

	As at March 31, 2020	As at March 31, 2019
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
Contract assets:		
Trade receivables (refer note 9(ii))	398	545
Contract liabilities		
Advances from customers (refer note 19)	153	127

	Year ended March 31, 2020	Rs. Year ended March 31, 2019
22. Other Income		
Dividend income from current investments measured at fair value through profit and loss	-	2
Interest income	38	71
Interest income from other financial assets at amortised cost	47	65
Unwinding of interest income on financial instruments	9	9
Gains/ (losses) on financial instruments measured at fair value through profitor loss (net):		
- Profit on sale of investments (net)	17	167
- On change of fair value of investments measured at FVTPL	25	(108)
Profit on disposal of property, plant and equipment (net)	1	-
Liabilities no longer required written back	26	-
Miscellaneous receipts	0	-
	163	206
23. Cost of raw materials consumed		
Opening stock	232	159
Add: Purchases	1,604	1,867
	1,836	2,026
Less: Closing stock	182	232
	1,654	1,794
24. Change in inventories of finished goods, work-in-progress and stock in trade		
Finished goods		
- Closing stock	190	147
- Opening stock	147	109
Less: Transferred to self consumption	-	(0)
	(43)	(38)
Work-in-process		
- Closing stock	113	82
- Opening stock	82	53
	(31)	(29)
Stock in trade		
- Closing stock	2	92
- Opening stock	92	-
	90	(92)
Add: Trial run production transferred to capital work-in-progress (refer note 43)	9	12
Net (increase)/ decrease in inventories	25	(147)

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

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

Rs.

	Year ended March 31, 2020	Year ended March 31, 2019
25. Employee benefits expense		
Salaries, wages and bonus	532	497
Contribution to provident fund and other funds	32	29
Gratuity expense (refer note 30)	8	15
Expenses on employees stock options scheme (refer note 31)	1	4
Workmen and staff welfare expenses	25	24
	598	569
26. Finance costs		
(a) Interest cost		
- On term loans and debentures	357	465
- On short term borrowings (net of subsidy of Rs. 0 (March 31, 2019: Rs. 0))	45	56
- On defined benefit obligations (net)	7	3
- On others (including interest on income tax of Rs. (1) (March 31, 2019: Rs. 3) *	14	0
- On unwinding of interest	8	7
- On lease liabilities	9	-
	440	531
Less: Capitalisation of interest cost	(83)	(17)
Total (I)	357	514
(b) Other finance cost		
- Other borrowing cost	3	12
- Exchange differences to the extent considered as an adjustment to borrowing cost	51	35
Total (II)	54	47
Total finance costs (I + II)	**411**	**561**

* net of reversal of interest liability of Rs. 2 (March 31, 2019: Rs. 39) provided in earlier years.

	Year ended March 31, 2020	Year ended March 31, 2019
27. Other expenses		
Packing expenses	344	362
Consumption of stores and spare parts	49	51
Repairs and maintenance :		
- Plant and machinery	233	202
- Buildings	12	15
- Others	22	21
Rent	18	49
Rates and taxes	3	11
Insurance (net of subsidy Rs. 0 (March 31, 2019: Rs. 0))	6	5
Depot expenses	134	120
Professional charges	72	82
Advertisement and sales promotion	198	220
Travelling and conveyance	51	55
Bad debts/ advances written off	2	3
Impairment allowance (net)	20	2
Corporate social responsibility expense (refer note 59)	9	6
Directors' sitting fees (refer note 36)	0	1
Miscellaneous expenses *	421	415
	1,594	**1,620**

* Also refer note 42 for remuneration of auditors.

	Year ended March 31, 2020	Year ended March 31, 2019
28. Earnings per share		
Net profit after tax for calculation of basic and diluted EPS (Rs.)	179	245
Weighted average number of equity shares outstanding	31,40,45,267	23,42,51,187
Equity shares alloted during the previous year pursuant to Scheme of Arrangement and Amalgamation (refer note 12)	-	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)	5.69	7.79

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

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:-

(i) 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.

(ii) 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 unabsorbed depreciation, business losses and MAT credit 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. Further details on taxes are disclosed in note 16.

Change in estimate
Deferred tax credit includes Rs. Nil (March 31, 2019: Rs. 45) on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

(iii) Defined benefit plans (gratuity and provident fund)
The cost of the defined benefit plans and the present value of the defined benefit obligations 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 2012-14. 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 and provident fund obligations are given in note 30.

(iv) 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.

(v) Provision for mines reclamation
The Group 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 Group calculates the provision using the Discounted Cash Flow (DCF) based on discount rate of 6.76% p.a. and the expected timing of those costs. Details of such provision are disclosed in note 41.

Change in estimate
During the year, Group has reviewed the assumptions used in determining the fair value of Provisions, and accordingly revised the estimate for provision for mines reclamation resulting in increase in provision by Rs. 8.

(vi) 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.

NEW DELHI

Change in estimates

(a) During the year, the Group completed the re-evaluation of the pattern of economic benefits derived from property, plant and equipment ('PPE') of the manufacturing facilities situated at North East region of the Group. Based on such evaluation, management decided to change the method of providing depreciation on its PPE from straight line method to written down value method w.e.f. July 1, 2019.

(b) During the year, the residual value of PPE is reviewed and re-assessed by the Group so that the revised residual value properly reflect the values which the Group expects to realise on completion of useful life of the respective assets.

Consequent to (a) and (b) above, depreciation charge and deferred tax credit due to higher reversal of depreciation during tax holiday period for the year ended March 31, 2020 is higher by Rs. 220 and Rs. 56 respectively.

(c) During the previous year, Group had reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the previous year was lower by Rs. 2.

(vii) Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognised for the years ended March 31, 2020 and March 31, 2019.

(viii) Revenue from contracts with customers – 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, 2020, the estimated liability towards non-cash incentive amounted to Rs. 133 (March 31, 2019: Rs. 83). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

(ix) 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.

(x) Impairment of financial assets

The impairment provisions for financial assets disclosed in note 6 & 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.

(xi) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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 certain cement units of the Parent Company and other subsidiaries of the Group. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

Provident fund ('PF')

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust, except in case of certain employees of the Group. 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.

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

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

Statement of profit and loss

Components of defined benefit costs

Rs.

Particulars	Gratuity		PF	
	2019-20	2018-19	2019-20	2018-19
Current service cost *	9	15	10	11
Net interest cost**	5	3	2	1
Net benefit expense	**15**	**18**	**12**	**12**

* includes Rs. 1 (March 31, 2019: Rs. 3) towards capitalisation of gratuity expense and Rs 2 (March 31,2019: Rs. 3) towards capitalisation of provident fund expense.

** includes Rs. 1 (March 31, 2019: Rs. 1) towards capitalisation of interest expense.

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2020

Rs.

	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2019 (1)	109	37	72	153	150	3
Service cost (2)	9	-	9	10	-	10
Net interest expense/ (income) (3)	8	3	5	15	13	2
Sub-total included in profit or loss (2+3)=(4)	**17**	**3**	**14**	**25**	**13**	**12**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	-	-	-	2	(2)
(Gain)/loss from changes in demographic assumptions (6)	0	-	0	-	-	-
(Gain)/loss from changes in financial assumptions (7)	5	-	5	-	-	-
Experience (gains)/losses (8)	4	-	4	2	-	2
Sub-total (5+6+7+8)=(9)	**9**	**-**	**9**	**2**	**2**	**(0)**
Expense/ (income) included in OCI out of (9) above	**9**	**-**	**9**	**-**	**-**	**-**
Contributions by employer (10)	-	-	-	-	10	(10)
Contribution by plan participation/ employees (11)	-	-	-	27	27	-
Settlements/ (Transfer in) (12)	-	-	-	35	35	-
Acquisition/ other adjustments (13)	(0)	-	(0)	-	-	
Benefits paid (14)	(11)	(4)	(7)	(12)	(12)	-
Sub-total (10+11+12+13+14)=(15)	**(11)**	**(4)**	**(7)**	**50**	**60**	**(10)**
March 31, 2020 (1+4+9+15)	**124**	**36**	**88**	**230**	**225**	**5**

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

Rs.

	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 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 (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 (7)	7	-	7	-	-	-
Experience (gains)/losses (8)	10	-	10	0	-	0
Sub-total (5+6+7+8)=(9)	**17**	**2**	**15**	**0**	**3**	**(3)**
Expense/ (income) included in OCI out of (9) above	**16**	**2**	**15**	**-**	**-**	**-**
Contributions by employer (10)	-	-	-	-	11	(11)
Contribution by plan participation/ employees (11)	-	-	-	23	23	-
Settlements/ (Transfer in) (12)	-	-	-	6	6	-
Acquisition adjustments (13) *	17	-	17	-	-	
Benefits paid (14)	(5)	(4)	(1)	(5)	(5)	-
Sub-total (10+11+12+13+14)=(15)	**12**	**(4)**	**16**	**24**	**35**	**(11)**
March 31, 2019 (1+4+9+15)	**109**	**37**	**72**	**153**	**150**	**3**

*Related to acquisition of subsidiary namely Dalmia DSP Limted during the previous year.

The Group expects to contribute Rs. 70 (March 31, 2019: Rs. 55) and Rs. 11 (March 31, 2019: Rs. 7) to gratuity and PF respectively in 2020-21.

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

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

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

Rs.

Particulars	Gratuity		PF	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investment pattern in plan assets:				
Insurance Company products	14	14	-	-
Central Government securities	1	1	26	18
State Government securities	16	16	84	56
Special Deposit scheme	2	2	4	5
Corporate bonds	2	2	96	63
Cash and cash equivalents	0	1	2	1
Equity shares of listed companies	-	-	13	7
Other investment	1	1	-	-
Total	**36**	**37**	**225**	**150**

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

Particulars	Gratuity		PF	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	%	%	%	%
Discount rate	6.40	7.25	6.40	6.89 to 7.50
Future salary increases	6.00 to 7.00	6.00 to 7.00	-	-
Guaranteed interest rate	-	-	8.50	8.65
	Years	Years	Years	Years
Life expectation for	39.06	-	40.74	40.74
Mortality Table	IALM (2012-14)	IALM (2006-08) duly modified	IALM (2012-14)	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	5	5	(6)	(5)	(6)	(4)	5	4

Provident Fund:

Rs.

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% decrease		1% increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	5	5	(2)	(2)	(5)	(3)	10	5

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Rs.

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	46	43
Between 2 and 5 years	50	46
Between 5 and 10 years	37	33
Beyond 10 years	36	33
Total expected payments	**169**	**155**

Duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 3-14 years (March 31, 2019: 5-13 years) and for PF at the end of the reporting period is 2-3 years (March 31, 2019: 2-6 years).

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

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

Risk Exposure
Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility
The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk
The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk
The Group actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods.

Contribution to Defined Contribution Plans:

Rs.

Particulars	2019-20	2018-19
Provident Fund/ Pension Fund	20	18
Superannuation Fund	1	1
National Pension Scheme	3	2

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) were granted to senior executives of the Parent 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 Parent Company does not have a past practice of cash settlement for these share options.

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

Rs.

Particulars	March 31, 2020	March 31, 2019
Expense arising from equity-settled share-based payment transactions*	3	4
Total expense arising from share-based payment transactions	3	4

* includes Rs. 2 (March 31, 2019: Rs. Nil) allocated to capital work-in-progress (refer note 43).

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, 2020		March 31, 2019	
	Numbers	**WAEP**	**Numbers**	**WAEP**
Outstanding at the beginning of the year	7,32,000	176.77	4,50,000	350.27
Cancelled pursuant to Scheme of Arrangement and Amalgamation	-	-	(4,50,000)	350.27
Granted pursuant to DBL ESOP 2018	-	-	9,00,000	175.14
Exercised during the year	(2,20,000)^	169.09	(1,68,000)^^	168.01
Expired/ lapsed during the year	-	-	-	-
Outstanding at the end of the year	5,12,000	180.07	7,32,000	176.77
Exercisable at the end of the year	-	-	-	-

^ The weighted average share price at the date of exercise of these options is Rupees. 511.10/-
^^ The weighted average share price at the date of exercise of these options is Rupees 1,214.40/-
The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 4.32 years (March 31, 2019: 4.88 years).

The range of exercise prices for options outstanding at the end of the year is Rupees 108.62/- each option to Rupees 191.77/- each option (March 31, 2019: Rupees 108.62/- each option to Rupees 191.77/- each option).

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

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

The following table list the inputs to the models used for the plan for the year ended March 31, 2020 and March 31, 2019:

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	49	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 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

32. Leases

(a) Group as a lessee

The Group has lease contracts for various land, buildings (godowns, office and residential premises), vehicles and other equipment used in its operations. Leases of land have lease terms between 10 and 99 years, godowns generally have lease terms between 1 and 6 years, while office and residential premises have lease terms between 1 and 9 years, and vehicles and other equipment generally have lease terms between 1 and 8 years. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of godowns and other equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Rs.

	Land *	Buidlings	Vehicles	Other equipment *	Total
Cost					
As at April 1, 2019	78	60	20	2	160
Additions	3	25	10	-	38
Disposals	(0)	(6)	(1)	-	(7)
Exchange difference **	0	-	-	-	0
As at March 31, 2020	**81**	**79**	**29**	**2**	**191**
Accumulated depreciation					
As at April 1, 2019	-	-	-	-	-
Charge for the year	4	32	8	1	45
Disposals	(0)	(2)	(0)	-	(2)
Exchange difference **	0	-	-	-	0
As at March 31, 2020	**4**	**30**	**8**	**1**	**43**
Net block					
As at March 31, 2020	**77**	**49**	**21**	**1**	**148**

* Opening balance includes Rs. 71 reclassified on account of adoption of Ind AS 116.
** includes foreign currency translation of foreign operations.

Note

Leasehold land having net block of Rs. 9 is pending to be registered in the name of one of the subsidiary company.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Rs.

Particulars	**2019-20**
As at April 1, 2019	**90**
Additions	35
Deletion	6
Accretion of interest	9
Payments	48
As at March 31, 2020	**80**
Current	35
Non-current	45

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

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

The maturity analysis of lease liabilities are disclosed in Note 39.
The effective interest rate for lease liabilities is 10%, with maturity between 2021-2109.

The following are the amounts recognised in profit or loss:

Particulars	Rs. 2019-20
Year ended March 31, 2020 (Leases under Ind AS 116)	
Depreciation expense of right-of-use assets	45
Interest expense on lease liabilities	9
Expense relating to short-term leases (included in other expenses)	18
Total amount recognised in profit or loss	**72**

Year ended March 31, 2019 (Operating leases under Ind AS 17)

Particulars	Rs. 2018-19
Lease expense	49
Total amount recognised in profit or loss	**49**

Amounts recognised in statement of cash flows:

Particulars	Rs. 2019-20
Year ended March 31, 2020	
Total cash outflow for leases	48

(b) Group as lessor

The Parent 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 Parent 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	March 31, 2020		March 31, 2019	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
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**

33. Capital and other commitments

Rs.

	Particulars	March 31, 2020	March 31, 2019
A)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	523	614
B)	Other Commitments:		
i)	Commitment towards forestry department as per the Forest (Conservation) Act, 1980	0	32
ii)	Corporate guarantee given by the Parent Company to a bank for issuance of bank guarantee towards grant of mining lease	12	12
iii)	Estimated future investments in Alternative Investment Fund in terms of agreement with the fund	-	4
iv)	Contractual and other payments, which does not have any bearing on the results for the current and previous year	31	31

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

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

C) The Resolution Plan (RP) filed by the Parent Company for revival of Murli Industries Limited (MIL) has been approved by the National Company Law Tribunal (NCLT), Mumbai Bench pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC'). The necessary actions have been initiated to make the RP effective.

RP provides for payment of Rs. 402 to creditors of MIL by the Parent Company. MIL has an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur District, Maharashtra along with a captive thermal power plant of 50 MW. In addition, MIL also has paper and solvent extraction units in Maharashtra. The acquisition of MIL would help the Group to further consolidate its footprint in Western region.

34. Contingent liabilities / Litigations in respect of :

A) Not provided for:

Rs.

	Particulars	March 31, 2020	March 31, 2019
i)	Claims against the Group not acknowledged as debts	282	292
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	51	67
	- Customs	18	39
	- Sales tax/ Entry tax/ Purchase tax/ Market fee	130	110
	- Income tax matters	50	42
iii)	Other monies for which Group is contingently liable	-	2

iv) Income tax department had carried out search operation in the office premises of erstwhile Adhunik Cement Limited (now a unit of the Parent 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 was filed before the appellate authority.

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.

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors etc., the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

B) The Office of the Superintendent of Taxes, Jowai, Meghalaya has issued notice dated March 12, 2020 seeking justification of gaps found for use of coal procured through legal sources in production of clinker / power as mentioned in the Report of the Independent Committee constituted by the National Green Tribunal. In the notice, it has been mentioned that the gap seems to be due to illegally procured coal and hence the Group is liable to pay enhanced royalty and electricity duty on such coal. The Group has been asked to provide its reply on the issue and the same is under process as the Group is evaluating the effect of the report. No provision is considered necessary in the financial statements based on the legal opinion taken by the Group as the demand has not yet crystallised.

C) The Parent Company holds 76% shares in one of its subsidiary company Calcom Cement India Limited (Calcom), where Bawri Group (BG), other shareholder, holds 21% (approx.) voting rights. During the year 2015-16, the Parent Company in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as Inter-se Agreement or 'ISA'), 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) / NCLT under Sections 397 and 398 of the Companies Act, 1956 alleging oppression and mismanagement by the Parent Company. NCLT, Guwahati Branch, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by the Parent Company, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the said petition and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their disputes.

BG has challenged the order of NCLT Guwahati before the Hon'ble High Court, Guwahati and the same is pending adjudication. The disputes between the parties are pending adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

D) CBI has filed a charge sheet against the Parent Company & its employees under Section 120(b) read with Section 420 of Indian Penal Code before Special Judge, CBI Cases, Hyderabad, wherein CBI has alleged that the Parent Company had invested in the shares of Bharathi Cement Corporation Pvt. Ltd. for the benefit of one of the accused as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh and the shares of Bharathi Cement Corporation Pvt. Ltd. were sold by the Parent Company at a profit.

Pursuant to above, charge sheet has been filed before Special Judge, CBI Cases, Hyderabad, on which cognizance has been taken. The case is still at the preliminary stage. These proceedings were challenged by one of the accused before High Court and the same is pending till date. 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 of effective date. The Group will evaluate its position and act, as clarity emerges.

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

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

35. Details of dues to micro and small enterprises as per MSMED Act, 2006

Rs.

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	14	6
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 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 MSMED Act, 2006.	-	-
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 Enterprise Development Act, 2006	0	0

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.

36. 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

(iii) **Subsidiaries**

1. Calcom Cement India Limited,
2. OCL Global Limited,
3. Alsthom Industries Limited,
4. Bangaru Kamakshiamman Agro Farms Private Limited,
5. Chandrasekara Agro Farms Private Limited,
6. D.I. Properties Limited,
7. Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines & Minerals Limited),
8. Dalmia DSP Limited (w.e.f July 10, 2018),
9. Dalmia Minerals & Properties Limited,
10. Geetee Estates Limited,
11. Golden Hills Resort Private Limited,
12. Hemshila Properties Limited,
13. Hopco Industries Limited (w.e.f. December 21, 2018),
14. Ishita Properties Limited,
15. JayeVijay Agro Farms Private Limited,
16. Shri Rangam Properties Limited,
17. Sri Madhusudana Mines & Properties Limited,
18. Sri Shanmugha Mines & Minerals Limited,
19. Sri Subramanya Mines & Minerals Limited,
20. Sri Swaminatha Mines & Minerals Limited,
21. Sri Trivikrama Mines & Properties Limited,
22. Rajputana Properties Private Limited

(iv) **Step down subsidiaries**

1. OCL China Limited,
2. Vinay Cement Limited,
3. RCL Cements Limited,
4. SCL Cements Limited,
5. Cosmos Cement Limited,
6. Sutnga Mines Private Limited,
7. Dalmia OCL Limited (formerly known as Ascension Commercio Private Limited) (w.e.f. October 7, 2019),

KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Other related parties:

(i) Associates

1. Dalmia Renewables Energy Limited (upto May 31, 2018)

(ii) Joint ventures

1. Khappa Coal Company Private Limited,
2. Radhikapur (West) Coal Mining Private Limited

(i) Key management personnel of the Parent Company

1. Shri Gautam Dalmia * - Non-Executive Director (w.e.f. October 30, 2018),
2. Shri Puneet Yadu Dalmia – Managing Director (upto October 30, 2018),
3. Shri Mahendra Singhi ** - Managing Director & CEO (w.e.f. October 30, 2018),
4. Mr. G.N. Bajpai – Independent Director,
5. Mr. N. Gopalaswamy - Independent Director,
6. Mrs. Sudha Pillai - Independent Director,
7. Mr. Thyagarajan Venkatesan- Independent Director
8. Mr. Paul Heinz Hugentobler - Independent Director,
9. Mr. Jayesh Doshi - Chief Financial Officer and
10. Mrs. Manisha Bansal - Company Secretary

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

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

(ii) Key Management Personnel of Holding company

1. Mr. Niddodi Subrao Rajan(w.e.f. August 30, 2019)

(iii) Relatives of Key Management Personnel

1. Shri Jai Hari Dalmia */ **
2. Shri Yadu Hari Dalmia */ **
3. Mrs. Avantika Dalmia

* Non-Executive Director (upto October 30, 2018)
** Also, KMP of Holding company

(iv) Enterprises controlled/ jointly controlled by the key management personnel of the Parent Company

1. Dalmia Refractories Limited,
2. Dalmia Bharat Sugar and Industries Limited,
3. Kanika Investment Limited,
4. Dalmia Bharat Foundation,

(v) Enterprises controlled/jointly controlled by Key Management Personnel of the Holding Company

1. Khaitan & Co. LLP
2. Khaitan & Co. AOR

All amounts stated in Rs. are in Rs. Crore 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	Professional fees	Purchase of assets	Purchase of goods & services	Reimbursement of expenses payable	Reimbursement of expenses receivable	CSR	Sale of goods & services	Issue of equity share capital (including Securities Premium)	Adjustment of TDS receivable	Recovery of MAT credit entitlement
Dalmia Bharat Limited	Holding	77	-	-	-	-	-	-	-	-	-		-	147	0	0	-	-	-	-	9
(Formerly Known as Odisha Cement Limited)		(33)	(11)	-	-	-	-	(184)	-	-	-		(0)	(146)	(0)	(0)	-	(0)	(6,200)	-	(43)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-		-	11	-	0	-	2	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(8)	-	(0)	-	(1)	-	-	-
Khaitan & Co. LLP	KMP Controlled Entity of Holding Company	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-
Khaitan & Co. AOR	KMP Controlled Entity of Holding Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Dalmia Power Limited	Fellow Subsidiary	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(1)	-	(3)	-	-	-	-	-		-	-	-	-	-	-	-	(14)	-
Dalmia Refractories Limited	KMP Controlled		-	-	-	-	-	-	-	-	-	-	-	45	-	0	-	23	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(24)	-	(0)	-	(7)	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	-	-	0	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(13)	(0)	-	-	-	-	-	-	-	-	-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(42)	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mahendra Singhi	KMP	-	-	-	-	-	-	-	26	-	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(26)	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jai Hari Dalmia	Non-Executive Director	-	-	-	-	-	-	-	7	-	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(3)	(0)	-	-	-	-	-	-	-	-	-	-	-
Mr. Yadu Hari Dalmia	Non-Executive Director	-	-	-	-	-	-	-	10	0	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(4)	(0)	-	-	-	-	-	-	-	-	-	-	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	-	0	1		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(1)	-	-	-	-	-	-	-	-	-	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	-	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. Niddodi Subrao Rajan	KMP of Holding company	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jayesh Doshi	Chief Financial Officer								-												
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Manisha Bansal	Company Secretary								0	-											
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-		0	-	-	-	6	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-	-	-	-
Mrs. Avantika Dalmia	Relative of KMP	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-

All figures in ( ) represent amount for the year ended March 31, 2019.

* KMP are covered under the Parent Company's Group Gratuity Scheme along with other employees of the Group. The gratuity and leave liability is determined 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.

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

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	Director Sitting Fee payable	Directors Commission Payable	Remuneration payable	Capital payable	Purchase Consideration Payable
Dalmia Bharat Limited	Holding	11	-	-	1	-	-	-	-	-	-	4	-
(Formerly Known as Odisha Cement Limited)		(49)	-	-	(1)	(43)	-	-	-	-	-	-	(0)
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	0	0	-	-	-	-	-	-	-	-	-	-
		(0)	(0)	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-
		-	(0)	-	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP Controlled	3	9	-	-	-	-	-	-	-	-	-	-
		(3)	(6)	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP Controlled Entity	2	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. AOR	KMP Controlled Entity	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	-	-
Dalmia Power Limited	Fellow Subsidiary	-	-	-	-	-	1	3	-	-	-	-	-
		-	-	-	-	-	(1)	(3)	-	-	-	-	-
Kanika Investment Limited	Fellow Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	-	5	1	-	-	-	-	-	-	-	-
		-	-	(5)	-	-	-	-	-	-	-	-	-
Mr. Jai Hari Dalmia	Non-Executive Director/ Relative of KMP	-	-	-	-	-	-	-	-	-	0	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Mr. Yadu Hari Dalmia	Non-Executive Director/ Relative of KMP	-	-	-	-	-	-	-	-	-	1	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Mr. G.N. Bajpai	Independent Director	-	-	-	-	-	-	-	-	1	-	-	-
		-	-	-	-	-	-	-	-	(1)	-	-	-
Mr. N. Gopalaswamy	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-
Mrs. Sudha Pillai	Independent Director	-	-	-	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-
Mr. Paul Heinz Hugentobler	Independent Director	-	-	-	-	-	-	-	0	0	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	-	-
Mr. Niddodi Subrao Rajan	KMP of Holding company	1	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Total		**17**	**0**	**5**	**2**	**-**	**1**	**3**	**0**	**1**	**1**	**4**	**-**
		(52)	**(0)**	**(5)**	**(1)**	**(43)**	**(1)**	**(3)**	**-**	**(1)**	**-**	**-**	**(0)**

All figures in ( ) represent balance outstanding as at March 31, 2019.

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

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

D) Transactions with key management personnel

Compensation of key management personnel of the Company:-

Rs.

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	22	40
Termination benefits	1	3
Post- employment benefits	-	35
Share-based payment transactions	3	3
Total compensation paid to key management personnel *	26	81

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 actuarial basis for the Group as a whole.

E) Directors' interests in the Employees Stock Option Scheme (DBL ESOP 2018)

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price Rs.	March 31, 2020 Number outstanding*	March 31, 2019 Number outstanding*
January 29, 2015	January 29, 2021	108.62	72,000	1,32,000
February 03, 2016	February 03, 2022	191.77	4,40,000	6,00,000
Total			5,12,000	7,32,000

* Refer note 31.

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

37. Fair values

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Financial assets carried at amortised cost				
Loans to employees	21	17	21	17
Loans to related party	3	3	3	3
Loans to others	3	3	3	3
Security deposits	79	70	79	70
Subsidies/ Incentives receivable	707	888	707	888
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	16	12	16	12
Investment in commercial papers (refer note 9(i))	-	139	-	139
Financial assets carried at fair value through profit or loss				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	55	62	55	62
Investment in mutual funds (refer note 9(i))	888	361	888	361
Investment in certificate of deposits (refer note 9(i))	74	-	74	-
Investment in alternative investment fund (refer note 9(i))	10	22	10	22
Investment in corporate bonds (refer note 9(i))	704	464	704	464
Financial assets carried at fair value through OCI				
Investment in compulsorily participative convertible preference shares (refer note 6(i))	23	14	23	14
Investment in equity shares (unquoted) (refer note 6(i))	-	0	-	0
Financial liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,950	5,877	5,950	5,877
Security deposits received	497	405	497	405
Other non current financial liabilities	1	4	1	4
Financial liabilities carried at fair value through profit or loss				
Foreign currency option contracts/ Interest rate swap contract	2	3	2	3

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

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

The management 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) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values :

(a) Long-term fixed-rate and variable-rate receivables/ deposit are evaluated by the Group based on parameters such as interest rates, risk factors, individual 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 equity shares and corporate bonds are based on quoted market price at the reporting date. Fair value of investment in mutual funds, alternative investment fund and venture capital 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, 2020 was assessed to be insignificant.

Description of significant unobservable inputs to valuation (Level 3):
(a) Discount rate are determined using prevailing bank lending rate.
(b) The fair values of financial assets and liabilities are determined using the discounted cash flow analysis.

Reconciliation of fair value measurement of financial assets categorised at level 3:

Rs.

Particulars	Investment in compulsorily convertible preference shares (At FVTOCI)
As at April 1, 2018	-
Re-measurement recognised in OCI	-
Purchases	14
Sales	-
As at March 31, 2019	**14**
Re-measurement recognised in OCI	7
Purchases	2
Sales	-
As at March 31, 2020	**23**

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.

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

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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Rs.

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (note 37)				
Loans to employees	21	-	-	21
Loans to related party	3	-	-	3
Loans to others	3	-	-	3
Security deposits	79	-	-	79
Subsidies/ Incentives receivable	707	-	-	707
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	16	-	16	-
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	5,950	-	5,950	-
Security deposits received	497	-	-	497
Other non current financial liabilities	1	-	-	1
Assets measured at fair value				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	55	-	55	-
Investment in mutual funds (refer note 9(i))	888	-	888	-
Investment in certificate of deposits	74	74	-	-
Investment in alternative investment fund (refer note 9(i))	10	-	10	-
Investment in corporate bonds (refer note 9(i))	704	704	-	-
Investment in compulsorily participative convertible preference shares (refer note 6(i))	23	-	-	23
Liabilities measured at fair value				
Foreign currency option contracts/ Interest rate swap contract	2	-	2	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Rs.

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (note 37)				
Loans to employees	17	-	-	17
Loans to related party	3	-	-	3
Loans to others	3	-	-	3
Security deposits	70	-	-	70
Subsidies/ Incentives receivable	888	-	-	888
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	12	-	12	-
Investment in commercial papers (refer note 9(i))	139	-	139	-
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	5,877	-	5,877	-
Security deposits received	405	-	-	405
Other non current financial liabilities	4	-	-	4
Assets measured at fair value				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	62	-	62	-
Investment in equity shares (unquoted) (refer note 6(i))	0	-	-	0
Investment in mutual funds (refer note 9(i))	361	-	361	-
Investment in alternative investment fund (refer note 9(i))	22	-	22	-
Investment in corporate bonds (refer note 9(i))	464	464	-	-
Investment in compulsorily participative convertible preference shares (refer note 6(i))	14	-	-	14
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.

NEW DELHI
CHARTERED ACCOUNTANTS

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

39. Financial risk management objectives and policies

The Group'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 Group's operations and to provide guarantees to support its 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.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and also ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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 Group'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 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 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 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. There is no outstanding loans at year end.

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.

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+ 50 BPS	(13)
INR	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2
March 31, 2019		
INR	+ 50 BPS	(14)
INR	- 50 BPS	14
USD	+ 50 BPS	(3)
USD	- 50 BPS	3
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2

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 and the same are hedged in line with established risk management policies of the Group 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 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.

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

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

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.

Rs.

Particulars	Change in foreign currency rate	Effect on profit before tax March 31, 2020	Effect on profit before tax March 31, 2019
USD	5%	(33)	(24)
	-5%	27	24
EURO and Others	5%	(34)	(4)
	-5%	13	4

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 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 customers.

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

Rs.

Ageing	Up to 180 days	More than 180 days	Total
As at March 31, 2020			
Gross carrying amount (A)	340	129	469
Expected credit losses (B)	-	71	71
Net carrying amount (A-B)	**340**	**58**	**398**
As at March 31, 2019			
Gross carrying amount (A)	495	108	603
Expected credit losses (B)	3	55	58
Net carrying amount (A-B)	**492**	**53**	**545**

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, 2020 and March 31, 2019 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.

Ageing	Less than 1 Year	1 to 5 years	More than 5 years	Total	Carrying value
As at March 31, 2020					
Borrowings	2,064	1,869	2,129	6,062	5,950
Lease liabilites	42	42	179	263	80
Trade payables	841	3	-	844	844
Other financials liabilities	789	3	-	792	792
As at March 31, 2019					
Borrowings	1,871	2,343	1,741	5,955	5,877
Trade payables	920	-	-	920	920
Other financials liabilities	720	6	-	726	725

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

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

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, cash and cash equivalents and accrued interest on current investments. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return
to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Rs.

Particulars	March 31, 2020	March 31, 2019
Long term borrowings	3,505	4,014
Short term borrowings	1,246	908
Current maturities of long term borrowings	1,199	955
Less : Cash and cash equivalents	(152)	(268)
Less : Bank balances other than cash and cash equivalents	(120)	(185)
Less : Current investments	(1,676)	(986)
Less : Interest accrued on current investments	(32)	(28)
Net debt	**3,970**	**4,410**
Equity	9,346	9,253
Capital and net debt	**13,316**	**13,663**
Gearing ratio	**29.81%**	**32.28%**

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, 2020 and March 31, 2019.

41. Movement of provision during the year:

Rs.

Particulars	Mines reclamation	Export promotion capital goods*	Contingencies
As at April 1, 2018	**31**	**28**	**36**
Additions during the year	12	3	7
Utilised during the year	-	-	(4)
Interest on unwinding	3	-	-
As at March 31, 2019	**46**	**31**	**39**
Additions during the year	7	-	2
Reversal of Provision	-	(30)	(15)
Utilised during the year	-	-	(22)
Interest on unwinding	3	-	-
As at March 31, 2020	**56**	**1**	**4**

Mines reclamation
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.

Export promotion capital goods (EPCG)
Based on the favourable decision from Director General of Foreign Trade (DGFT) during the year, one of the subsidiary of the Group has filed redemption applications before DGFT showing completion of export obligations and same are under process. Accordingly, provision created in earlier years of Rs. 30 is no longer required and an amount of Rs. 7, Rs. 10 and Rs. 13 has been written back and credited in the statement of profit and loss under the head other income, finance costs and other expenses respectively.

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. The Group has, during the current year as well as previous year, settled most of such cases. During the year, Group has written back excess provision of Rs 15 by settling disputed liability with one of its financial creditor and paid the agreed amounts of principal and interest.

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

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

Rs.

Particulars	March 31, 2020	March 31, 2019
As an auditor		
i) Statutory audit fee	2	2
ii) Tax audit fees	0	0
iii) Limited review fee	1	1
In other capacity		
i) Company law matter/ Other matters	-	0
ii) Certification Fee (including certification of financial statements arising out ofmerger scheme)	0	1
iii) Taxation matters	0	0
Reimbursement of expenses	0	0

43. During the year, the Group has incurred expenditure related to acquisition/ construction of property, plant and equipment and therefore accounted for the same as pre-operative expenses under capital work-in-progress/ intangible assets under development.

Details of such expenses capitalised and carried forward as part of capital work in progress/ intangible assets under development are given below:

Rs.

Particulars	March 31, 2020	March 31, 2019
Brought forward from last year	150	46
Expenditure incurred during the year		
Cost of raw materials consumed	13	14
Employee benefit expenses		
a) Salaries, wages and bonus	69	68
b) Contribution to provident and other funds	2	3
c) Gratuity expense	1	3
d) Employee stock option scheme	2	-
e) Workmen and staff welfare expenses	1	2
Interest cost *	83	17
Depreciation and amortisation expense	2	14
Power and Fuel	29	57
Freight charges on internal clinker transfer	3	16
Other expenses		
a) Consumption of stores and spare parts	2	19
b) Repairs and maintenance - Plant and machinery	2	18
c) Rent	1	1
d) Rates and taxes	1	0
e) Insurance	0	0
f) Professional charges	55	38
g) Travelling and conveyance	3	2
h) Miscellaneous expenses	20	50
Total expenditure during the year	**289**	**322**
Less : Trial run production transferred from inventory	(9)	(12)
Less : Revenue from operations during trial run	(35)	(88)
Net expenditure	**245**	**222**
Less : Capitalised during the year	(2)	(118)
	393	**150**
Carried forward as part of Intangible asset under development	**18**	**-**
Carried forward as part of Capital work in progress**	**375**	**150**

* Interest comprises of:
(i) Rs. 4 (March 31, 2019: Rs.Nil) on specific borrowings taken for new cement plant in Odisha along with new grinding capacity in eastern part of India; and
(ii) Rs. 77 (March 31, 2019: Rs.10) on general borrowings for new cement plant in Odisha along with new grinding capacity in eastern part of India, using the weighted average interest rate applicable during the year which is 8.46% p.a (March 31, 2019: 8.13% p.a.).

** includes Rs. 313 (March 31, 2019 : Rs. 113) for new cement plants in Odisha along with new grinding capacity in eastern part of India (refer note 51).

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

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

44. The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power& fuel and other expenses as under:

Rs.

Particulars	2019-20	2018-19
Cost of materials consumed	374	340
Power and fuel	82	26
Other Expenses:		
Repairs and maintenance - Plant and machinery	104	74
Miscellaneous expenses	5	5
Total	**565**	**445**

These expenses if reclassified on 'nature of expense' basis will be as follows:

Rs.

Particulars	2019-20	2018-19
Employee benefit expenses	37	33
Power and fuel	27	12
Other Expenses :		
Consumption of stores & spare parts	178	153
Repairs and maintenance - Plant and machinery	59	62
Repairs and maintenance - Buildings	1	-
Repairs and maintenance – Others	7	9
Rent	1	4
Rates & taxes (including royalty on limestone)	218	215
Insurance	0	-
Miscellaneous expenses	39	24
Professional charges	1	-
Other operating revenue:		
Sundry sales / income	(3)	(67)
Total	**565**	**445**

45. **Derivatives**

Derivatives not designated as hedging instruments
The Group 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 Group 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, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	55	2	62	3

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

46. (i) In 2011-12, the Parent 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 to increase the Parent Company 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 Parent Company, to be released at a future date upon satisfaction of certain conditions. The Parent Company has invested a total amount of Rs. 260 (March 31, 2019: Rs. 260) and Rs. 59 (March 31, 2019: 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 Parent 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.

(ii) During the earlier years, the Parent 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 Parent 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 Parent Company in Calcom becomes 99%. the Parent Company vide letter dated May 15, 2015 gave notice to BG for non-fulfilment of project conditions. The disputes between the parties are pending adjudication before the Arbitral Tribunal (also refer note 34(C)).

47. 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 Group is confident to realise the value stated good in the financial statements. The Group follows the expected credit loss model in respect of any such situations as stated in note 1B(iii)(t), it believes that such amount is sufficient to cover for any possible loss.

48. During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at Rs. 374 as on March 31, 2020, were illegally and fraudulently transferred by one of the Depository Participant ("DP"), from demat accounts of the Parent Company. Based on the complaint filed by the Parent Company and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and also freezed all such Securities till further orders.

SEBI after complaint by the Parent Company also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI/ National Stock Exchange (NSE).

No final order has yet been passed by SEBI in the complaint lodged by the Parent Company against DP and others in respect of fraudulent transfer of Securities from its demat accounts.

In the meantime, the clearing agent/ ISSL has also sought from Security Appellate Tribunal, Mumbai ("SAT") the annulment of trade of Future & Options contract entered into by DP. Such annulment of trades sought by clearing agent/ ISSL was directed by SAT vide its order dated July 03, 2019 to be heard by SEBI including grievance of all other investors. SEBI challenged the said order of SAT before Hon'ble Supreme Court. The Supreme Court, vide its interim order dated August 27, 2019, directed NSE Clearing Corporation Limited, to honour F&O segments contract which had matured on June 27, 2019. The Supreme Court also clarified that the payments so made shall be without prejudice to the rights and contentions of the parties and subject to the final outcome and directions which would be passed in the matter. The matter is still pending before Supreme Court. The matter is currently under investigation by the Parent Company through an independent firm of Chartered Accountants.

Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head for committing various offences under Indian Penal Code. The charge sheet is accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities from the demat accounts of the Parent Company. After filing of charge sheet, the Parent Company has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending.

Consequent to this, the Parent Company, during the year, has valued these Securities at the fair market value existing on the reporting date and an amount of Rs. 30 has been credited to the statement of profit and loss under the head Other income. The Parent Company is fully confident of recovering its Securities based on the legal opinion obtained in the matter. Hence, no provision is considered necessary in these financial statements.

49. The Government of India ('GOI') on December 24, 1997 announced industrial policy for development of industries in North East region with a promise to give 100% exemption on Excise Duty (paid in cash) by way of 'remission' for 10 years from the date of commencement of commercial production, and the same was continued in the second policy issued on April, 2007.

In the year 2008, the GOI abruptly modified remission entitlement vide notifications dated March 27, 2008 and June 10, 2008 restricting the remission amount to value addition ('notified rate'). Department started refunding excise remission as per notified rate but not 100 % of excise duty paid from PLA.

The Group approached Guwahati High Court for sanction of 100 % remission on principal of promissory estoppel along with other petitions and the same was allowed vide order dated November 20, 2014. Accordingly, the Group had accrued 100 % remission income in the books. Against the order of High Court, department filed a SLP(C) before the Hon'ble Supreme Court, for stay of the order of Guwahati High Court. The Supreme Court stayed order of High Court ('Interim Order') with a condition to refund 50% of the disputed amount on December 07, 2015.

Finally, the Supreme Court pronounced decision on April 22, 2020 and held that amendment in notification is in continuance of earlier policy. Accordingly, the Group have, during the current year, written off an amount of Rs. 8 which was pending for refund and has, further, during the current year made provision of Rs. 5 being amount already refunded in lieu of Interim Order passed by the Hon'ble Supreme Court both of which are over and above said notified rate ('disputed amount').

KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

50. The Government of Assam in their high power committee meeting in February 2019 had granted Mega Project status to one of the subsidiary of the Group, under the Industrial and Investment policy of Assam 2014 for the investment done for establishment of clinkerisation unit at Umrangshu ("USO") of Calcom for 15 years in the state of Assam. The said unit would be entitled to 100% reimbursement of net SGST paid for a period of 15 years from the date of commercial production on account of which 100% remission of SGST of Rs. 51 was recognized as income in the previous year.

51. The Group is setting up new cement plants in Odisha along with new grinding capacity in eastern part of India with total capacity of 8 MnTPA. The clinker manufacturing plant of 3 MnTPA has been commissioned and is under trial run. The cement grinding plants are under construction and part of the capacity is likely to be completed by December 31, 2020.

The expenditure incurred on commissioning of the project, including the expenditure incurred on trial runs (net of trial run receipts), which is under progress of Rs. 1,437 as at March 31, 2020 (March 31, 2019 : Rs. 328) is included under capital work-in-progress.

52. The Board of Directors of the Parent Company, its subsidiary company namely Dalmia Bharat Refractories Limited (DBRL) (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and step down subsidiary company namely Dalmia OCL Limited (Dalmia OCL) in their respective meetings held on November 14, 2019, approved the following:

(a) Scheme of Arrangement amongst the Parent Company, DBRL, their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ('Scheme 1') for transfer and vesting of refractory undertaking of the Parent Company to DBRL, by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme is April 1, 2019.

(b) Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited ('DRL') and its subsidiary GSB Refractories India Private Limited (GSB India'), DBRL and Dalmia OCL and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ('Scheme 2'). It involves (i) amalgamation of DRL with DBRL; (ii) amalgamation of GSB India with DBRL; and (iii) transfer and vesting of refractory undertaking of DBRL to Dalmia OCL by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme is April 1, 2020.

The Board of Directors of DRL also in their meeting held on November 14, 2019 approved Scheme 2 as stated above. Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes has been considered in these financial statements.

53. The Group is having long term clinker sale agreement with M/s Jaiprakash Associates Limited (JAL) for supply of clinker upto July 2041. Till March 2018, there were irregular and short supply of clinker and from April 1, 2018, there was no supply of clinker. Thereafter, JAL unilaterally and illegally terminated the clinker sale agreement. The Group has challenged the termination in arbitration proceedings and has sought specific performance of the clinker sale agreement. The Group has alternatively sought damages alongwith interest. The Group has also sought liquidated damages and refund of the advance amount paid to JAL.

The Group has not accounted for the aforesaid claim as income in the books of accounts as at March 31, 2020.

54. The Group's operations were impacted in the month of March 2020, due to temporary shutdown of all plants following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus.

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Operations have resumed in a phased manner taking into account directives from the Government during April 2020.

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

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

55. The Group comprises of the following entities:

Name of the Group Company	Country of Incorporation	% of ownership as at March 31, 2020	% of ownership as at March 31, 2019
A. Subsidiaries			
1. Bangaru Kamakshi Amman Agro Farms Private Limited	India	100.00%	100.00%
2. Calcom Cement India Limited	India	76.00%	76.00%
3. D.I. Properties Limited	India	100.00%	100.00%
4. Dalmia Minerals & Properties Limited	India	100.00%	100.00%
5. Geetee Estates Limited	India	100.00%	100.00%
6. Golden Hills Resorts Private Limited	India	100.00%	100.00%
7. Hemshila Properties Limited	India	100.00%	100.00%
8. Ishita Properties Limited	India	100.00%	100.00%
9. Rajputana Properties Private Limited	India	100.00%	100.00%
10. Jayevijay Agro Farms Private Limited	India	100.00%	100.00%
11. Shri Rangam Properties Limited	India	100.00%	100.00%
12. Dalmia Bharat Refractories Limited (formerly Known as Sri Dhandauthapani Mines & Minerals Limited)	India	100.00%	100.00%
13. Sri Madhusudana Mines & Properties Limited	India	100.00%	100.00%
14. Sri Shanmugha Mines & Minerals Limited	India	100.00%	100.00%
15. Sri Swaminatha Mines & Minerals Limited	India	100.00%	100.00%
16. Sri Subramanya Mines & Minerals Limited	India	100.00%	100.00%
17. Sri Trivikrama Mines & Properties Limited	India	100.00%	100.00%
18. Alsthom Industries Limited	India	99.99%	99.99%
19. Chandrasekara Agro Farms Private Limited	India	100.00%	100.00%
20. OCL Global Limited	Mauritius	100.00%	100.00%
21. Dalmia DSP Limited (w.e.f. July 10, 2018)	India	100.00%	100.00%
22. Hopco Industries Limited (w.e.f. December 21, 2018)	India	100.00%	100.00%
Step-down subsidiaries			
1. Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100.00%	100.00%
2. Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100.00%	100.00%
3. OCL China Limited (subsidiary of OCL Global Limited)	China	90.00%	90.00%
4. Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
5. RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100.00%	100.00%
6. SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100.00%	100.00%
7. Dalmia OCL Limited (subsidiary of Dalmia Bharat Refractories Limited) (w.e.f. October 7, 2019)	India	100.00%	100.00%
B. Joint ventures			
1. Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%
2. Radhikapur (West) Coal Mining Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	14.70%	14.70%

NEW DELHI

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

56. 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 Group's finance costs and income taxes are managed on a Group basis and are not allocated to operating segments.

The Group 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue						
External revenue (including other operating revenue)	9,047	8,859	642	628	9,689	9,487
Less: Inter segment revenue	(8)	(8)	(20)	(25)	(28)	(33)
Total revenue	**9,039**	**8,851**	**622**	**603**	**9,661**	**9,454**
Results						
Segment results	537	549	23	58	560	607
Add: Other unallocable income net of unallocable expenditure					150	211
Less: Finance costs					(411)	(561)
Profit before tax					**299**	**257**
Other disclosures						
Segment assets	16,938	17,430	613	862	17,551	18,292
Unallocable assets					1,799	846
Total assets					**19,350**	**19,138**
Segment liabilities	2,363	2,361	114	84	2,477	2,445
Unallocable liabilities					7,527	7,440
Total liabilities					**10,004**	**9,885**
Other disclosures:						
Depreciation and amortisation	1,507	1,282	13	10	1,520	1,292
Capital expenditure	1,521	1,021	10	18	1,531	1,039

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.

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

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

57. Additional information pursuant to Schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financial statements

Rs.

Name of the entity in the Group	Net Assets *		Share in profit / loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
Subsidiaries	**Amount**	**As % of consolidated net assets ****	**Amount**	**As % of consolidated profit / loss**	**Amount**	**As % of consolidated OCI**	**Amount**	**As % of consolidated total comprehensive income**
A. Parent								
Dalmia Cement (Bharat) Limited	9,168	93.79%	97	52.65%	(4)	(71.46%)	93	48.58%
B. Subsidiaries								
Indian								
Calcom Cement India Limited	504	5.16%	109	58.72%	(1)	(9.29%)	108	56.49%
Alsthom Industries Limited	64	0.65%	28	14.92%	5	85.19%	33	17.23%
Dalmia DSP Limited	(8)	(0.08%)	(19)	(10.22%)	(1)	(11.86%)	(20)	(10.28%)
RCL Cements Limited	4	0.04%	(4)	(2.37%)	(0)	(0.36%)	(4)	(2.31%)
SCL Cements Limited	(52)	(0.53%)	(10)	(5.43%)	(0)	(4.84%)	(10)	(5.41%)
Vinay Cements Limited	(172)	(1.76%)	(34)	(18.27%)	(0)	(4.75%)	(34)	(17.83%)
Bangaru Kamakshi Amman Agro Frams Private Limited	4	0.04%	(0)	(0.04%)	-	0.00%	(0)	(0.04%)
Chandrasekara Agro Farms Private Limited	2	0.02%	(0)	(0.02%)	-	0.00%	(0)	(0.02%)
Cosmos Cements Limited	12	0.13%	(0)	(0.12%)	-	0.00%	(0)	(0.12%)
D.I. Properties Limited	2	0.02%	(0)	(0.03%)	-	0.00%	(0)	(0.03%)
Dalmia Minerals & Properties Limited	52	0.53%	0	0.04%	-	0.00%	0	0.04%
Geetee Estates Limited	7	0.07%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Golden Hills Resorts Private Limited	1	0.01%	(0)	(0.01%)	-	0.00%	(0)	(0.01%)
Hemshila Properties Limited	7	0.07%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Ishita Properties Limited	(2)	(0.02%)	0	0.18%	-	0.00%	0	0.17%
Jayevijay Agro Farms Private Limited	3	0.04%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Rajputana Properties Private Limited	(0)	(0.00%)	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Shri Rangam Properties Limited	10	0.11%	0	0.01%	-	0.00%	0	0.01%
Dalmia Bharat Refractories Limited	1	0.01%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Sri Madhusudana Mines & Properties Limited	7	0.07%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Sri Shanmugha Mines & Minerals Limited	9	0.09%	0	0.00%	-	0.00%	0	0.00%
Sri Subramanya Mines & Minerals Limited	6	0.06%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Sri Swaminatha Mines & Minerals Limited	3	0.04%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Sri Trivikrama Mines & Properties Limited	7	0.07%	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Sutnga Mines Private Limited	2	0.02%	0	0.08%	-	0.00%	0	0.08%
Hopco Industries Limited	(0)	(0.00%)	(0)	(0.00%)	-	0.00%	(0)	(0.00%)
Dalmia OCL Limited	0	0.00%	(0)	(0.01%)	-	0.00%	(0)	(0.01%)

KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

Rs.

Name of the entity in the Group	Net Assets		Share in profit / loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
Subsidiaries	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated profit / loss**	**Amount**	**As % of consolidated OCI**	**Amount**	**As % of consolidated total comprehensive income**
Foreign								
OCL Global Limited	104	1.07%	17	9.39%	6	94.49%	23	12.18%
OCL China Limited	55	0.56%	7	3.78%	1	23.69%	8	4.44%
Non-controlling interests in subsidiaries	(25)	(0.26%)	(14)	(7.74%)	(0)	(0.80%)	(14)	(7.52%)
C. Joint ventures (Investment as per equity method) *								
Indian Joint Ventures								
Radhikapur (West) Coal Mining Private Limited	0	0.00%	8	4.54%	0.00%	0.00%	840.99%	4.39%
Khappa Coal Company Private Limited	-	-	-	-	-	-	-	-
Sub-total	**9,775**	**100%**	**185**	**100%**	**6**	**100%**	**191**	**100%**
Less: Elimination / Adjustments	(429)		(6)		-		(6)	
Total	**9,346**		**179**		**6**		**185**	

* Amounts given in respect of joint venture are the share of the group in the net assets of the joint venture.
** Percentage has been determined before considering elimination/ adjustments arising out of consolidation.

NEW DELHI

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

58. 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	2019-20	2018-19
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	4
- Raw materials & stores	0	1
- Others	1	2
Total	**5**	**7**
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	5	7

59. The Group has spent amount on corporate social responsibility expenses as below:

Rs.

Particulars	2019-20	2018-19
Gross amount required to be spent during the year	4	4
Amount spent during the year:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	9	6

60. Material partly-owned subsidiaries

Financial information of subsidiary company that has material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	March 31, 2020	March 31, 2019
Calcom Cement India Limited	India	76.00%	76.00%

Summarised Consolidated statement of profit and loss of Calcom Cement India Limited for the year ended March 31, 2020 and March 31, 2019:

Rs.

Particulars	2019-20	2018-19
Revenue	886	911
Profit for the year	60	175
Other comprehensive Income/(loss)	(1)	(0)
Total comprehensive income	**59**	**175**
Attributable to:		
Non-controlling interest	13	41

Summarised Consolidated balance sheet of Calcom Cement India Limited as at March 31, 2020 and March 31,2019:

Rs.

Particulars	March 31, 2020	March 31, 2019
Current assets	302	375
Current liabilities	724	716
Net current assets	**(422)**	**(341)**
Non-current assets	930	976
Non-current liabilities	381	567
Net non-current assets	**549**	**409**
Net assets	**127**	**68**
Attributable to:		
Non-controlling interest	22	9

Summarised consolidated cash flow information of Calcom Cement India Limited as at March 31, 2020 and March 31, 2019:

Rs.

Particulars	2019-20	2018-19
Operating	346	286
Investing	(106)	17
Financing	(245)	(306)
Net (decrease) in cash and cash equivalents	**(5)**	**(3)**

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

61. Summarised financial information of individually immaterial joint venture

The Group's interest in below mentioned joint venture is accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the joint venturer's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes:

Radhikapur (West) Coal Mining Private Limited

		Rs.
Particulars	**2019-20**	**2018-19**
Profit for the year	2	2
Other Comprehensive Income	-	-
Total Comprehensive Income	2	2
Group's share of profit for the year	0	0

62. The Group is eligible for incentives package provided by the State Government of Bihar in accordance with the approved resolution plan in case of subsidiary of the Group namely Dalmia DSP Limited. The details are as follows: -

i) 80% reimbursement of state goods and service tax (SGST) for a period of 7 years from the date of commencement of operations.
ii) Interest subvention scheme for an amount of Rs. 25 over three years.
iii) Exemption from payment of electricity duty for a period of 5 years in respect of electricity consumed by the subsidiary.
iv) Capital subsidy for setting up waste heat based captive power plant up to an amount of Rs. 17 and reimbursement of interest on royalty and electricity dues.

If the above incentive scheme is not granted, then Group shall not make any payments to statutory creditors, unsecured financial creditors, non-priority workmen and employee dues and other operational creditors. As on reporting date, no incentive have been received and recorded by the Group.

63. 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
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 the Board of Directors of Dalmia Cement (Bharat) Limited

Mahendra Singhi
Managing Director and CEO
DIN : 00243835

Gautam Dalmia
Director
DIN: 00009758

Jayesh Doshi
Chief Financial Officer

Manisha Bansal
Company Secretary
Membership No. A23818

Place : New Delhi
Date: June 12, 2020