Dalmia
Refractories

ANNUAL REPORT 2020-21

Dalmia Refractories Limited

Disclaimer/forward-looking statement

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

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

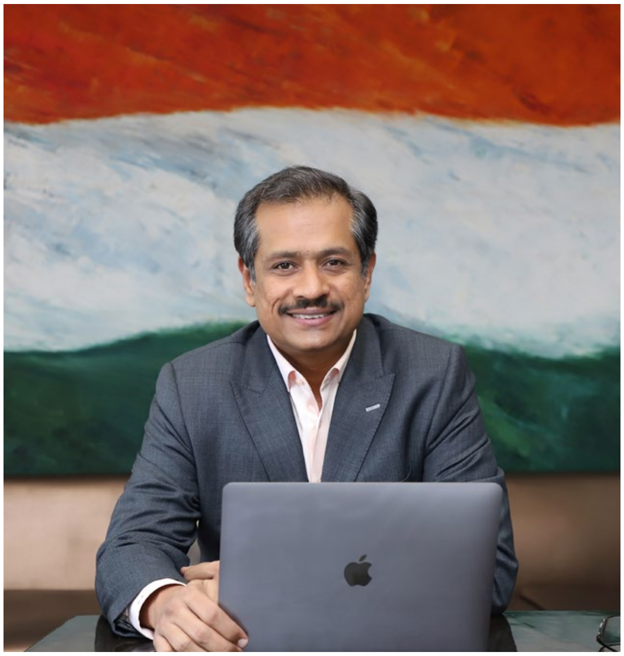
ANNUAL REPORT 2020-21

Dalmia Refractories Limited

भारत ki Factory mein®
ki Refractory

CONTENT

From the MD's Desk



Dear Stakeholders,

Despite a global pandemic disrupting businesses in different and unprecedented ways, 2020-21 turned out to be pivotal for Your Company in many ways. The unpredictable lockdowns and restrictions forced us to reimagine and reset the way we do business. The need to insulate ourselves better from external factors such as raw material supplies, logistics, talent availability etc. gave us an opportunity to evaluate and prepare Your Company as a future-proof business.

Financial performance

We have closed FY 2020-21 with a revenue of ₹ 218.76 Cr, a nearly 25% drop from previous year's ₹ 290.58 Cr. Unsurprisingly, this is simply an impact of a nationwide lockdown during the first quarter of the year, which also saw delays in implementation of projects requiring refractories as input. Net profit dropped to ₹ 7.14 Cr in FY 2020-21 from ₹ 17.53 Cr in FY 2019-20, in line with the overall business performance in a disrupted year.

In Europe however, despite weaker demand for steel, our plant managed to achieve revenue at par with that recorded in the previous financial year.

India business

Refractories are a key input to basic industrial materials such as iron & steel, cement, glass and non-ferrous metals. All these industries form the backbone of economic progress for any nation, including India. You may have come across news about how Indian iron and steel makers are investing in enhancing capacity by millions of tonnes in annual production. This is good news for refractory makers like Your Company, as demand for refractories will consequently shoot up in times to come.

The 'Atmanirbharta' campaign is also pushing Indian customers to opt for refractory sources from within India vis-a-vis imports. Your Company has taken steps to ensure that production lines run at full capacities, so as to not lose any business owing to inability to manufacture and deliver as per customers' expectations and timelines.

Exports

Gains made by Your Company in previous years towards increasing penetration in global markets are getting accelerated as international customers are seeking refractory sources as an alternative to China. India has emerged as a preferred source in this respect. Your Company already has rich experience in meeting the refractory requirements of international customers, and is seen as a capable and attractive partner in all major consuming segments i.e. iron & steel, cement and glass.

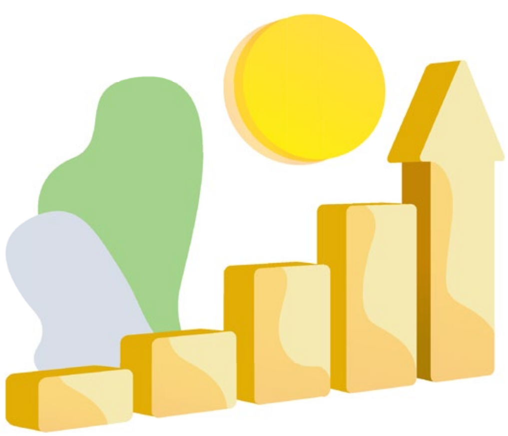
Dalmia GSB, our business in Europe, is making rapid inroads both by acquiring new customers and growing its share of the refractory wallet among existing customers. With several cross-selling opportunities available, Dalmia GSB has been able to successfully complete several trials for made in India refractories, which are progressively converting to proper and regular orders.

All in all, Your Company is in a very good position to emerge stronger in all aspects to realise its aim of becoming a preferred refractory partner to its customers.

I look forward to your continued support.

Sincerely,

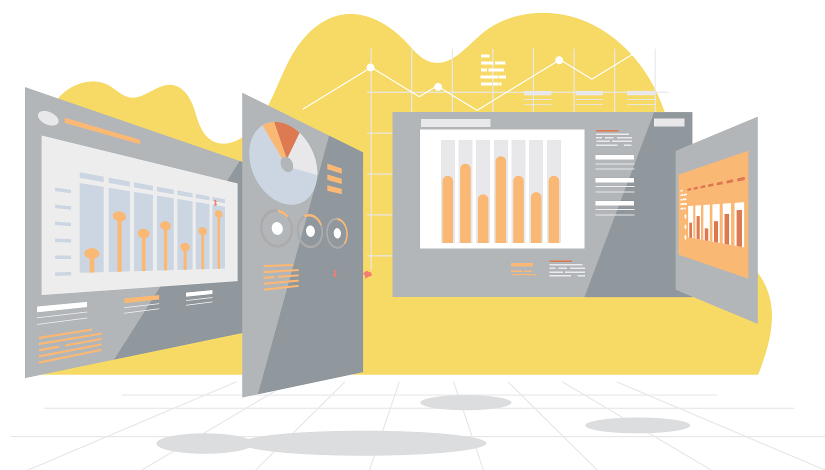
Sameer Nagpal



Company Overview

Fire within, the zeal and commitment to achieve highest levels of success and eagerness to rise beyond all expectations - these are characteristics that have helped Your Company maintain its leadership position for well over 40 years now. Dalmia Refractories is a pioneer in Alumino-Silicate refractories with a market share of over 50% in Alumina bricks used in manufacturing of cement. The JV, Dalmia Seven offers advanced monolithic refractory solutions to customers in India. Also, through the recent acquisition of GSB Group of Germany, Dalmia Refractories is now the leading supplier of lances and snorkels to steelmakers in Europe. Be it personnel or knowledge development, material selection, a high quality and reliable service or technology upgradation - as one of the oldest and foremost suppliers of refractories, Dalmia Refractories is sweetly poised to marry the benefits of its newly acquired strengths to its customers' unique and specialised needs.

The company also executes supply and installation projects for various green- and brown-field projects for customers across the globe. The company is headquartered in New Delhi and currently operates five manufacturing plants including the one in Germany.



Management Discussion & Analysis

Industry Overview

In FY 2020-21, all industries including refractories have been severely impacted by the global pandemic. Manufacturing operations were impacted by nationwide lockdown, in phases, particularly in the April to June quarter. Further, projects requiring use of refractories were extended to adapt to the new circumstances brought on by the pandemic.

As per World Refractory Association (WRA), the current refractories market size is around USD 30 billion and is expected to witness an annual growth of more than 4% till 2025. Strong product demand from aerospace, electrical, automotive, glass and cement industries is expected to drive growth of the refractories market globally over the next five years.

Refractories are either considered consumable goods or capital assets in manufacturing processes for steel, iron, cement, non-ferrous metals, glass and other industries. Amongst the aforesaid end use industries, steel & iron dominates, accounting for more than 70% of the overall refractory consumption followed by cement which accounts for nearly 10 % consumption.

Indian Steel Industry

India being the second largest producer of steel is also therefore a significant consumer of refractories. Steel production for the financial year 2020-21 clocked at 103 million tonnes against an installed capacity of 144 million tonnes. In the current year, several large steel manufacturers have announced capacity increase to the tune of additional 50 million tonnes by year 2025 which shall be directly beneficial to Indian refractory industry.

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

COVID-19 and the consequent supply chain shocks have forced Indian steel industry to reduce its dependence on Chinese imports. Major steel manufacturers have already announced plans to de-risk their supply chain and reduce dependence on Chinese imports which is bound to give a fillip to Indian refractory manufacturers.

Cement Industry

India's cement industry is a vital part of its economy. Globally, India ranks as the second largest producer and consumer of cement in the world after China, with an annual capacity totalling to 545 million tonnes per annum (MTPA). The demand for cement is linked with overall economic growth, particularly in the housing and infrastructure sectors.

India's overall cement production accounted for 294 million tonnes (MT) in FY 2020-21. Production is expected to increase by 10% to 12% with capacity utilisation expected to be around 65% in FY 2021-22. Government of India's spending in infrastructure and housing are expected to work as a key growth driver in normalising the demand for cement industry.

COVID-19 had forced the government to announce nationwide lockdown in FY 2020-21 and close borders with other countries. The pandemic has undoubtedly affected the cement production in the country, the impacts of which are seen as the decrease in production and consumption. Although, the pandemic severely impacted the industry, going forward a positive outlook for FY 2021-22 is expected due to the government's thrust towards infrastructure creation such as new highways, affordable housing and rising rural consumption which will be the propeller for growth.

Indian Refractory Industry

The size of Indian refractory industry is estimated at approx. ₹ 9,000 Cr, with steel industry being the largest consumer followed by cement, glass, other metals & non-ferrous metals. The growing steel industry in India, along with the elevating infrastructure development, is augmenting the demand of refractory materials.

In view of significant rise in demand of its customer segments such as steel, cement, metals, glass & non-ferrous, growth of refractory industry is expected to be to the tune of 8% to 10% in the next financial year.

Operations & Financial Performance

The outbreak of COVID-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade. During the year under review, the Government of India had imposed stringent nationwide lockdowns, in phases, which severely impacted manufacturing activities of Your Company and its customers. Though our plants were allowed to operate under the Essential Services Maintenance Act, 1968, they were subject to strict guidelines laid down by Ministry of Home Affairs. Our customers were affected as demand of consumer goods such as automotive were impacted and infrastructure projects were delayed due to shortage of manpower and resources. These interruptions had affected the operations of Your Company in first half of the financial year.

In Europe, the outbreak of COVID-19 further stressed the sustained weak steel demand. However, our Germany plant was operational with some restrictions and achieved revenue at par to levels of preceding financial year.

Our revenue was ₹ 218.76 Cr compared to ₹ 290.58 Cr in FY 2019-20 on standalone basis. Net profit for the year reduced to ₹ 7.14 Cr in FY 2020-21 from ₹ 17.53 Cr in FY 2019-20. Return on net-worth was at 7.8% in FY 2020-21 as compared to 20.6% in FY 2019-20, in line with business performance for the year.

The decline in revenue is primarily due to the nationwide lockdown in the April to June quarter and delay in infrastructure and industrial projects requiring additional refractory offtake.

Dalmia-GSB

Your Company acquired GSB Group of Germany, a specialty refractory maker and a global leader in lance production, in early 2019. GSB Group has since been rechristened Dalmia-GSB and has been fully integrated with Dalmia Refractories. With this acquisition, Dalmia Refractories has access to the heart of steel and refractory making belt in Europe and state-of the- art technology to make cleaner steel.

This acquisition allowed Your Company to enhance its footprint in Europe with access to newer technology and talent from Europe.

Increasing International Market Penetration

Through our ongoing sales initiatives, we continuously strive to grow and expand our business in both domestic and international markets. Through focused efforts on international cement markets, Your Company has increased its customer base which now includes global cement brands. Dalmia Refractories' products are being exported to places such as Mexico, Brazil, Argentina, Africa, Middle East, Canada, Spain etc. The company has developed a roadmap till 2025 and plans to strengthen its footprint in future.

Stronger Focus on Services

To give a seamless experience to the customer and to drive growth, Dalmia Refractories has strengthened its service offerings which includes design, application, management and turnkey projects. The company has successfully executed gunning and shotcreting application for several customers in Iron & Cement manufacturing. Increased focus on services has helped us gain competitive advantage during the course of the year.

In the current financial year, Your Company has invested in various site equipment such as advanced shotcreting machines and mixers etc. to provide improved services to its customers.

Impact of COVID-19 on Business Operations

Your Company is relatively well protected from the COVID-19 impact due to the industrialised nature of its products. Even though the raw material supply chain is very much dependent on China, there have only been minor disruptions other than the impact of nationwide lockdown, in phases, in April to June quarter.

> *Your Company's breadth of products, depth of services and multi-locational manufacturing capabilities makes it one of the preferred suppliers to its customers*

FY 2022 Outlook

The Indian economy which was firmly on the path of recovery since Q3'21 was hit by the unexpected second *wave of COVID-19. That caused a severe strain on healthcare facilities in many parts of the country in the early part of FY 2022.*

> An increased focus on refractory services has helped Your Company gain competitive advantage during the course of the year

As a silver lining, disruptions to manufacturing units, industrial projects and infrastructure development have been far less severe during the second wave than first wave. Presently, vaccinations are picking up pace, which is supporting faster normalisation of economic activities in India. The long term prospects of Indian economy continue to be promising with various initiatives being taken including implementation of National Infrastructure Pipeline, manufacturing enabled incentive schemes through the Production-Linked Incentive Scheme, and the new labour code, which are likely to promote more investments in short-medium term.

Our customers in Cement sector are on a volume growth path which are driven by government's initiatives such as "Housing for All by 2022" and related infrastructure schemes like 'Pradhan Mantri Awas Yojna' with enhanced budgetary allocations supporting sector growth. Some of the large cement players have also announced capacity additions from FY 2022 creating a positive outlook for refractory industry in India.

As per the 2021-22 Union Budget, the government has approved an outlay of ₹ 1.18 lakh crore for the Ministry of Road Transport and Highways. Further, National Infrastructure Pipeline (NIP) has been expanded to 7,400 projects from 6,835 projects earlier.

Your Company will continue to leverage its technology and manufacturing capabilities, expand its reach in international markets, pursue innovative technologies, invest in enhancing local high-quality refractory production and actively continue to pursue M&A opportunities both inside and outside of India. Our breadth of products, depth of services and multi-locational manufacturing capabilities makes us one of the preferred suppliers for our customers.

Risks & Opportunities

RISKS

1. ***Dependence on China for raw material resources***
   As a single source of most raw materials required for production of refractories, China constitutes a risk as various associated external factors remain out of our control. Due to the natural advantage it enjoys in terms of abundant availability of mineral resources, China continues to be the largest raw material supplier to refractory makers all over the world. To mitigate this risk, Dalmia Refractories has worked towards identifying alternative sources, including own mines located in India. Tests conducted with raw material sourced from these alternative sources have delivered promising results and Your Company is confident it will be able to reduce its dependence on raw material supplies from China.

2. ***Interruption in supply chain***
   The financial performance of our business depends on reliable and effective supply chain for raw-materials. Raw material price fluctuations and supply shortages lead to production bottlenecks and additional costs.

   Subsequent to COVID-19 disruptions, availability of shipping vessels and containers became a big issue due to increase in demand and intermittent lockdown in various parts of the world. Such shortage of containers has increased the freight cost significantly, which then impacts raw material prices and creates pressure on pricing of products. At Dalmia Refractories Limited, we mitigate this risk by continually strengthening our procurement function by setting up robust processes. A globally networked and experienced team also works to identify supply trends well in advance to enable timely and appropriate action such as procuring raw materials at opportune moments for maximum benefits.

OPPORTUNITIES

1. ***Government push towards 'Atmanirbhar Bharat' opens new door for Indian manufacturers***
   COVID-19 has opened up new opportunities in terms of making a new self-reliant India after the shift in focus due to geo-political changes. The entire world including India is now looking for alternatives to de-

risk itself from China-made products and focus more on indigenously manufactured products. Many large manufacturers in India have announced intent to procure from local manufacturers, which has opened new opportunities for Indian refractory manufacturers. At Dalmia Refractories Limited, we are geared up to produce more through optimisation and efficiency of sufficiently available resources in existing plants.

2. ***Growth in Steel & Cement Sector***
   Several large steel and cement players in India have announced significant capacity increases from FY 22-25 which will boost demand of refractories in coming years. Your Company is keeping a close watch on refractory requirements of steel & cement producers. This will also help mitigate any risks related to volumes.

3. ***Enhanced International Footprint***
   The acquisition of GSB Group helped make inroads into European markets for Your Company to sell made-in-India bricks and other refractory products. Our recent product trials there have shown encouraging results and will help build a strong foundation for market share in short and medium term.

   Further, our business development efforts in the past year have led to growth beyond India. We have acquired new customers in Mexico, Brazil, Argentina, Africa, Middle East, Canada, Spain etc. The newly acquired customers will give us opportunity to grow globally.

Internal Controls and their Adequacy

The Company has adequate internal financial controls commensurate with its size and nature of business which are reviewed periodically. The internal auditors of the Company conduct regular audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required.

Human Resources

Amid the raging pandemic, Human Resources of the Company has been the backbone of the Company for not only building a helpful environment for smooth business operations throughout the period characterised by unforeseen disruptions, but also by ensuring safety measures at workplace are in place, and COVID protocols are diligently followed.

The leadership of Your Company strongly believes that its people are of utmost importance. The leadership team remained focussed on the health and wellbeing of all its employees. In order to take every precaution to keep our employees safe during the pandemic, we extended work from home facility wherever possible. We conducted multiple education webinars on Coronavirus Awareness and extended support and assistance through services like feet-on-street and a 24x7 support helpline. We also organised vaccination camps and check-up drives at our units for employees and their families. The use of virtual medium was maximised to connect with stakeholders including trade partners, customers and suppliers.

As on March 31, 2021, Your Company employs a diverse workforce across India & Europe comprising of nearly 400 people.

Financial Performance (Consolidated)

1. ***Revenue:*** *Revenues during the year stood at ₹ 394.68 Cr compared to ₹ 450.10 Cr in FY 2019-20*

2. ***Profit Before Tax****: Profit before tax reduced to ₹ 11.36 Cr from ₹ 23.50 Cr in FY 2019-20*

3. ***Net Profit After Tax****: Net profit for the year under review reduced to ₹ 6.86 Cr from ₹ 17.80 Cr in FY 2019-20*

Financial Ratios (Consolidated)

The details of significant changes in some of the key financial ratios is explained below:

1. ***Operating Profit Margin:*** *A decrease of 2% in the Operating Profit Margin in the FY 2020-21*

2. ***Net Profit Margin:*** *A decrease of 2% in the Net Profit Margin in FY 2020-21*

Corporate Information

Dalmia Refractories Limited
CIN: L24297TN1973PLC006372
Website: www.dalmiarefractories.com

Head Office
4, Scindia House, Connaught Place
New Delhi - 110 001

Registered Office
Dalmiapuram, P.O. Kallakudi - 621 651
Dist. Tiruchirappalli, Tamil Nadu

Board of Directors
Mr. Sameer Nagpal, Managing Director
Mr. C. Nagaratnam
Mr. Deepak Thombre
Ms. Leena Rawal

Key Managerial Personnel
Mr. Manoj Kumar Rathi, Chief Financial Officer
Ms. Akansha Jain, Company Secretary

Bankers
Axis Bank
Punjab National Bank
IndusInd Bank

Registrar & Share Transfer Agent
KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Karvy Selenium Tower B
Plot No. 31-32, Financial District
Nanakramguda
Hyderabad - 500 032

Works
Dalmiapuram
P.O. Kallakudi - 621 651
Dist. Tiruchirapalli
Tamil Nadu

Khambalia - 361 305
Dist. Devbhumi Dwarka
Gujarat

Auditors
M/s Chaturvedi & Shah, LLP
Chartered Accountants

Directors' Report

Dear Members,

Your Directors hereby present the Forty-Eighth Annual Report together with Audited Financial Statements and the highlights of the performance of Subsidiary Companies for the year ended March 31, 2021.

(₹ in Cr)

Financial Results	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
REVENUE	218.76	290.58	394.68	450.10
Profit before Interest, Depreciation and Tax	19.02	32.79	36.57	49.70
Less: Interest and financial charges	3.03	2.64	9.29	8.42
Profit before Depreciation and Tax	15.99	30.15	27.28	41.28
Less: Depreciation	6.83	8.17	15.92	17.78
Profit Before Tax	9.16	21.98	11.36	23.50
Provision for current tax	3.58	6.90	6.66	10.62
Provision for deferred tax	(1.57)	(2.45)	(1.95)	(3.25)
Profit/(loss) after tax before share of profit in associates	7.14	17.53	6.65	16.14
Less: Share of minority interest	-	-	(0.21)	(1.67)
Profit/(loss) After Tax	7.14	17.53	6.86	17.80

Note: Previous year figures have been regrouped/ re-arranged wherever considered necessary.

State of the Company's Affairs

Fire within, the zeal and commitment to achieve highest levels of success and eagerness to rise beyond all expectations - these are characteristics that have helped Dalmia Refractories Limited maintain its leadership position for well over 40 years now. Dalmia Refractories is a pioneer in Alumino-Silicate Refractories having substantial market share in Alumina bricks used in manufacturing of cement.

During the Year ended March 31, 2021, the revenue stood at ₹ 218.76 Cr as compared to ₹ 290.58 Cr in previous year. Our Net profit stood at ₹ 7.14 Cr as compared to ₹ 17.53 Cr during the previous year, on a standalone basis. The performance of the company during the year would have been better but for the outbreak of COVID-19 across the world.

On consolidated basis, the revenue stood at ₹ 394.68 Cr as compared to ₹ 450.10 Cr in previous year. Similarly, Net profit stood at ₹ 6.86 Cr as compared to ₹ 17.80 Cr during the previous year.

The company remains committed to its stakeholders and will continue to leverage its technology and manufacturing capabilities, expand its reach in international markets, pursue innovative technologies, invest in enhancing local high-quality refractory production and actively continue to pursue M&A opportunities both inside and outside of India.

The Company continues to be engaged in the business of manufacturing, distribution and service of refractory products and services during the financial year 2020-21.

Management Discussion and Analysis Report

The Management Discussion and Analysis of financial performance and results of operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") is provided in a separate section and forms an integral part of this Annual Report. It inter-alia gives detail of the overall industry structure, economic developments, performance and state of affairs of your Company's business, risk management systems and material developments during the financial year under review.

Impact of COVID-19 pandemic

Towards the end of financial year 2019-20 and during the period under review, the entire global economy has faced an unprecedented disruption, owing to the COVID-19 pandemic. The COVID-19 outbreak has severely impacted the business of the company with shattered supply chains, halted production and deliveries to the Customers. The Plant facilities of company were closed due to nationwide lockdown announced by the Government of India. However, with the extra efforts put by the company to manage supply chains management effectively, the impact has been minimized.

Subsequently, the Company has resumed its operations in a gradual and phased manner with available workforce, in strict compliance with Standard Operating Protocols (SOPs) issued by the Union Government and State Government from time to time and with the requisite permissions from the authorities. The health and safety of employees remained the main key focus for the Company.

Dividend

***Your Directors are pleased to recommend a dividend of 10% @ ₹ 1 per equity share of face value of ₹ 10/- each for the financial year 2020-21,** payable to those shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. The dividend payout is subject to approval of the members at the Annual General Meeting of the Company for the financial year ended on March 31, 2021.*

Share Capital

During the period under review, the Issued, Subscribed and Paid up equity share capital of the Company was ₹ 3.15 crore constituting of 31,52,084 equity shares of ₹ 10/- each. There was no change in the capital structure of the Company.

Transfer to Reserves

The Company proposes to retain its entire earnings in the profit and loss account and proposes not to transfer any amount to the General Reserve.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Consolidated Financial Statements of the Company and of all the subsidiaries for the financial year 2020-21 have been prepared in accordance with applicable accounting standards and form part of the Integrated Annual Report.

Subsidiaries, Associates and Joint Venture Companies

As on March 31, 2021, the Company has 3 subsidiaries out of which 1 is a joint venture Company. Dalmia GSB Refractories GmbH, wholly owned subsidiary of the Company situated in Germany is the material unlisted subsidiary of the Company in terms of the Listing Regulations as amended from time to time and the Company's Policy for determining material subsidiary. The said Policy may be accessed at the Company's website www.dalmiarefractories.com.

The details of the Subsidiaries are as under:

S. No.	Name of the Subsidiary	Status	% age Holding
1.	Dalmia Seven Refractories Limited	Joint Venture/ Subsidiary	51%
2.	Dalmia GSB Refractories GmbH	Wholly Owned Subsidiary	100%
3.	GSB Refractories India Private Limited	Step down Subsidiary	100%

A statement containing the salient features of the financial statements of the Company's subsidiaries, joint ventures and associate companies for the FY ended March 31, 2021 in Form AOC-1 is attached and marked as Annexure - 1 and forms part of this report. The contribution of the Company's subsidiaries, joint ventures and associates companies to the overall performance of the Company during the financial year under review could be referred from the financial highlights given above and the financial statements forming part of the Annual Report. The Financial Statements of the Company/its subsidiaries and the Consolidated Financial Statements of the Company, are placed on the Company's website www.dalmiarefractories.com.

During the said financial year, no company ceased to be a subsidiary of the Company and apart from those mentioned above, the Company does not have any other associate or joint venture Company. Further, there is no material change in the business of subsidiary companies and the Company has taken note of all the significant transactions and arrangements entered into by its subsidiaries.

Scheme of Arrangement and Amalgamation

The Board of Directors of Company in their meeting held on 14th November, 2019 has approved a Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited ('DRL') and its subsidiary GSB Refractories India Private Limited ('GSB India'), Dalmia Bharat Refractories Limited ('DBRL') (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and Dalmia OCL Limited ('DOCL') (formerly known as Dalmia OCL Private Limited/Ascension Commercio Private Limited) 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').

Subsequently, on 5th April 2021, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved modification of the aforesaid Scheme. The modification involved removal of the step with regard to transfer of refractory undertaking from DBRL to DOCL. As a result, the name of the Modified Scheme has changed to Scheme of Amalgamation of DRL and GSB India with DBRL and their respective shareholders and creditors ('Scheme 2'). Scheme 2 now involves amalgamation of the Company and its subsidiary GSB India with DBRL. The appointed date of the said Scheme 2 is 1st April, 2020.

Pursuant to NCLT Orders dated 23rd February, 2021 and 16th April, 2021, the Company has held its Shareholders and Creditors Meeting on 3rd June, 2021 and 27th May, 2021 respectively to seek their respective approvals to the aforementioned Scheme of Amalgamation and both the Shareholders and the Creditors of the Company have approved the Scheme with requisite majority. Now, the Scheme is pending before the NCLT, Chennai for its approval.

The Board of Directors of Dalmia Cement (Bharat) Limited ('DCBL') and DBRL in their respective meetings held on 14th November, 2019, approved a Scheme of Arrangement amongst DCBL 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 DCBL to DBRL, by way of slump exchange on a going concern basis. The appointed date of the said Scheme would be 1st April, 2019.

Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes has been considered in these financial statements.

Corporate Governance

Your Directors are committed to achieve the highest standards of ethics, transparency, corporate governance and continue to comply with the Code of Conduct framed for the Board and senior management under Regulation 17 of the SEBI Listing Regulations. The endeavour is to continue and move forward as a responsible and sustainable company in order to attract as well as retain talents, customers, suppliers, investors and to maintain fulfilling relationships with the communities

Your Company's corporate governance practices are driven by effective and strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision making.

The Corporate Governance Report for the financial year 2020-21 as required under the Listing Regulations of the Company is attached hereto and forms part of this report. The requisite certificate(s) from the Statutory Auditor of the Company confirming compliance with the conditions of Corporate Governance and from Secretarial Auditor that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority is attached to the Corporate Governance Report.

Annual Return

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the annual return of your Company for the financial year ended March 31, 2021 will be uploaded at the Company's website www. dalmiarefractories.com.

Corporate Social Responsibility Initiatives

The Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby areas, where the Company's plants are located.

The Corporate Social Responsibility Policy adopted by the board of directors can be accessed at the Company's website www.dalmiarefractories.com.

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

Pursuant to the said Policy, the Company has spent ₹ 19.86 Lakhs towards corporate social responsibility activities during the financial year 2020-21. The said amount spent was equal to 2% of average net profits of the Company made during three immediately preceding financial years. The annual report on corporate social responsibility activities is attached and marked as Annexure - 2 and forms part of this Report.

Directors and Key Managerial Personnel

During the financial year under review, Mr. Deepak Thombre, Mr. Mahendra Kumar Doogar and Mr. Chandrasekaran Nagaratnam, being the Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The term of appointment Mr. Mahendra Kumar Doogar as Independent Director of the Company has expired on 31.03.2021, accordingly he has ceased to be an independent director of the Company effective 01.04.2021. The Board places on record its sincere appreciation for the valuable advice and guidance of Mr. Mahendra Kumar Doogar during his tenure as Director of the Company

During the period under review, keeping in view the performance of Mr. Deepak Thombre, as Independent Director on the Board and post receipt of necessary declarations in terms of the provisions of Companies Act, 2013 read with its rules made thereunder and listing regulations and upon recommendation of the Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Deepak Thombre as an Independent Director of the Company for another term of 2 years w.e.f September 19, 2020 subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Ms. Leena Rawal, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. She has given a declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that she is not disqualified from being re-appointed as a Director of the Company.

Board of Directors, Committees and Meetings

The Board of Directors of the Company met four times during the financial year 2020-21, i.e., on June 16, 2020, August 21, 2020, November 11, 2020 and February 12, 2021. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days during the financial year 2020-21.

The Board meetings were conducted through Video Conferencing in due compliance with and following the procedures prescribed in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and applicable Secretarial Standards.

In terms of the provisions of Rule 8 of Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors excluding all other Directors and Officials of the Company was also held on February 12, 2021. Reference is invited to the attached Corporate Governance Report for the details thereof.

As on March 31, 2021, there are four Board level committees. The composition, terms of reference and other details of all Board Level Committees have been elaborated in the Corporate Governance Report annexed to this Report.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the objective –

- *(a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
- *(b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;*
- *(c) to adopt best practices to attract and retain talent by the Company; and*
- *(d) to ensure diversity of the Board of the Company.*

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

Performance Evaluation

During the financial year under review, the annual evaluation of the performance of the Board, its committees and individual Directors was carried by the Independent Directors, the Nomination and Remuneration Committee and the Board of Directors in compliance with the Companies Act, 2013 and SEBI LODR Regulations, as amended from time to time.

The performance of Non-Independent Directors, Board as a whole and the Chairman was evaluated in a separate meeting of Independent Directors. Similar evaluation was also carried out by the Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

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

Whistle Blower Policy and Vigil Mechanism

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud, health, safety and environmental issues. Adequate safeguards are provided against victimization of stakeholders who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided.

The aforesaid policy may be accessed at the website of the Company at www.dalmiarefractories.com

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls commensurate with the size of the Company and nature of its business which are reviewed periodically.

The internal auditors of the Company conduct regular internal audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required.

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

Particulars of Loans, Guarantees and Investments

Your Company has given guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013.

The particulars of such guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at Note No. 5.

Related Party Policy and Transactions

The Company has formulated a Related Party Transactions Policy and the same can be accessed at the website of the Company www.dalmiarefractories.com. Prior omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arms' length basis. All related party transactions are placed before the Audit Committee for review, ratification and approval.

All related party transactions entered during the financial year 2020-21 were in the ordinary course of the business and on an arms' length basis. The Company has not entered into any arrangement/ transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions. Hence, no disclosure is required to be made in Form AOC-2.

Risk Management

Your Company has formulated the Risk Management Policy that defines the adequate risk management process, which are based upon business environment, operational controls and compliance procedures. The major risks are assessed through a systematic procedure of risk identification and classification. Risks are prioritized according to significance and likelihood. The purpose of risk management is to proactively address risks.

There are no elements of risk which in the opinion of the Board may threaten the existence of the Company.

Auditors & Auditors' Report

Secretarial Auditors

In terms of section 204 of the Companies Act, 2013 and in accordance with the provisions of regulation 24A of the SEBI Listing Regulation, as amended from time to time, Mr. N.C. Khanna, Practicing Company Secretary was appointed as the Secretarial Auditor of the company, to conduct the Secretarial Audit for *the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 in prescribed Form MR-3 is annexed as Annexure-3 of this Report.*

There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Statutory Auditors

M/s. Chaturvedi & Shah LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 24th August, 2017 to hold office as such till the conclusion of Annual General Meeting of the Company for the year 2021-22.

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

The Reports submitted by the Statutory Auditor on the Standalone and Consolidated financial statements of the Company are self-explanatory and do not contain any qualification, reservation, adverse remark or disclaimer.

The Auditor has not reported any matter under Section 143(12) of the Act during the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The Statement reflecting the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo is attached to the Report as Annexure-4.

Particulars of Remuneration of Directors', Key Managerial Personnel and Employees'

The particulars of remuneration of Directors and Key Managerial Personnel and other particulars in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-5 of the Report.

A statement sharing the names and other particulars of the employees in terms of the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure-5A.

Employees' Stock Option Scheme

During the year, 33,000 stock options were vested into eligible employees in terms of the Dalmia Refractories Limited – Employee Stock Option Plan 2018 (DRL ESOP Plan 2018). No stock option has been exercised during the year.

There is no change in the ESOP plan during the financial year under review. The ESOP plan is in compliance with the SEBI Regulations.

As required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the applicable disclosures as on March 31, 2021 are available on the Company's website at www.dalmiarefractories.com.

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

Public Deposits

The Company has not accepted any deposits from the public till date.

Industrial Relations

The industrial relations during the year under review remained harmonious and cordial.

Disclosures

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

The Company has complied with all the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India from time to time and approved by the Central Government.

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such records are duly being maintained.

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

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

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the *financial year 2020-21, no complaint has been received by ICC.*

Material Changes and Commitments

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

Directors Responsibility Statement:

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

- *i) in the preparation of the Annual Accounts for the financial year ended March 31, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;*
- *ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;*
- *iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;*
- *iv) the Directors had prepared the annual accounts on a going concern basis.*
- *v) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.*
- *vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.*

Acknowledgment

The Directors also take this opportunity to place on record their sincere thanks and appreciation for assistance and continued support to the Company from its Bankers, State and Central Government agencies, employees and other stakeholders of the Company.

For and on behalf of the Board of Directors
of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599

Place: Pune
Dated: 11th August 2021

ANNEXURE-1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	Particulars	1.	2.	3.
1.	Name of the subsidiary	**Dalmia Seven Refractories Limited**	**Dalmia GSB Refractories GmbH (Formerly known as Dalmia Refractories Germany GmbH)**	**GSB Refractories India Pvt Ltd**
2.	The date since when subsidiary was acquired	16.12.2016	11.12.2018	01.01.2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	Euro Exchange rate – 86.099	NA
5.	Share capital	2,000	1,459	84
6.	Reserves & surplus/other equity	(805)	(78)	1,122
7.	Total assets	6,203	13,923	1,916
8.	Total Liabilities	5,008	12,542	710
9.	Investments	-	1,930	-
10.	Turnover	5,005	11,780	1,607
11.	Profit before taxation	(60)	471	(153)
12.	Tax expense	(17)	310	(23)
13.	Profit after taxation	(43)	161	(130)
14.	Proposed Dividend	-	-	-
15.	Extent of shareholding (In percentage)	51%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – NIL
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures – NOT APPLICABLE

Note: *Dalmia Seven Refractories Limited ('DSRL') is a joint venture of the Company between Dalmia Refractories Limited and Seven Refractories GmbH. DRL by virtue of its 51% shareholding in DSRL is also a holding company for DSRL, hence its details are provided in the above section.*

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Date: 31st May 2021

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

ANNEXURE-2

Annual Report on Corporate Social Responsibility (CSR) Activities
To be included in the Board Report for financial year commencing on or after 1st day of April, 2020

1. ***Brief outline on CSR Policy of the Company:***
   Set up in 1954, Dalmia Refractories Limited (previously Shri Nataraj Ceramics and Chemical Industries Ltd.). The vision of our company, Dalmia Refractories limited ("Company") is to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, by making definitive triple bottom- line (social, economic and environmental) impact. While we have always had a strong commitment to comply with the law, we seldom hesitate to go beyond the limits laid under law and put in an extra effort to achieve the status of a responsible corporate citizen in tune with the Dalmia Group's values. Aiming at creating shared values for all stakeholders, we seek to integrate corporate social responsibility ("CSR") into our businesses processes.

   In compliance with the provisions of section 135 of the Companies Act, 2013 ("Act") including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), the Company shall undertake its CSR activities, projects, programmes (either new or ongoing) in a manner compliant with the Act and the Rules ("Projects").

   Our approach towards CSR is based on our Company's core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our Company's commitment to sustainability. True to the spirit of our vision, we strive to utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The main objective of this Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own resources towards improving the quality of life and building capacities of the local communities and society at large.

2. ***Composition of CSR Committee:***

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Deepak Ambadas Thombre	Chairman	1	1
2	Mr. Sameer Nagpal	Member	1	1
3	Mr. Chandrasekaran Nagaratnam	Member	1	1

3. *Provide the web-link where Composition of CSR committee and CSR Policy approved by the board are disclosed on the website of the company.*
   CSR Policy: https://www.dalmiarefractories.com/pdf/Corporate_Social_Responsibility_Policy.pdf

4. *Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.*

5. *Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:*

Sl. No.	Financial Year	Amount available for set - off from preceding financial years (in Rs)	Amount required to be set - off for the financial year, if any (in Rs)
NIL			

6. *Average net profit of the company as per section 135(5). ₹ 9,92,94,333*

7. *(a) Two percent of average net profit of the company as per section 135(5) - ₹ 19,85,887*
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -NIL
   (c) Amount required to be set off for the financial year, if any- NIL
   Total CSR obligation for the financial year (7a+7b- 7c). ₹ 19,85,887

8. *(a) CSR amount spent or unspent for the financial year:*

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
19,85,887	NIL		N.A		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Social Infrastructure	Item No. I, X & XII	Yes	Gujarat	Devbhumi Dwarka	12,90,887	No	Dalmia Bharat Foundation	CSR00002821
			No	Karnataka	Bangalore	695,000			
	TOTAL					1,985,887			

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 19,85,887
(g) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	19,85,887
(ii)	Total amount spent for the Financial Year	19,85,887
(iii)	Excess amount spent for the financial year [(ii)-(I)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes oractivities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. *(a) Details of Unspent CSR amount for the preceding three financial years:*

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spenton the projectin thereporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs)	Status of theproject - Completed/ Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL
(asset-wise details).
    a. Date of creation or acquisition of the capital asset(s). - N.A
    b. Amount of CSR spent for creation or acquisition of capital asset. - N.A
    c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - N.A
    d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - N.A
    Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - N.A.

Date: 31st May 2021

Deepak Thombre
Chairman of CSR Committee
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

ANNEXURE-3

Secretarial Audit Report
For The Financial Year Ended 31 March 2021

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

To,
The Members
DALMIA REFRACTORIES LIMITED
CIN- L2429TN1973PLC006372
Dalmiapuram P.O. Kallakudi
Tiruchirappalli
Tamil Nadu – 621651
India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DALMIA REFRACTORIES LIMITED (hereinafter referred as "the company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books (on virtual basis), forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

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

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which includes the following: -
- *(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011*;*
- *(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;*
- *(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;*
- *(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;*
- *(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;* ***(Not applicable as the Company has not issued and listed any debt securities during the financial year under review)***
- *(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing withclient;* ***(Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)***
- *(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009*; and*
- *(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **

**[Not applicable as there was no reportable event held during the financial year under review];*

(vi) Other laws applicable specifically to the Company: -
We have examined the entire framework, processes and procedures of compliance of Environmental Laws, Labour Laws & other General Laws. The reports, compliances etc. with respect to these laws have been examined by us on test check basis.

Industry Specific laws applicable to the Company #

The Company has identified the following laws as applicable to the Company:

(a) The Mines Act – 1952 Mines Rule
(b) Metalliferous Mines Regulation – 1961
(c) Mines Labour Welfare Fund Act
(d) Explosives Rules & Regulations

#the Company has a proper monitoring system for compliance of Industry specific laws. There are no regular compliances under some acts. However, as and when an event arose the Company has attended the same promptly.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015(LODR Regulations) and The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited (MSEI) and The Calcutta Stock Exchange Limited.

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

We further report that

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

We further report and certify, based on the certificate(s) provided by individual Directors, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Company by the Securities and Exchange Board of India, Ministry of Corporate affairs or any such statutory authority.

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

All decisions at Board and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

***We further report that** during the audit period:-*

(i) The Board of Directors approved the renewal of credit facilities obtained from Axis Bank & Punjab National Bank, aggregating ₹ 80 Crores.

(ii) The Board has been informed about the amount of ₹ 19.86 lacs spent on CSR activities in the financial year 2020-21.

(iii) The Board by resolution approved the investment in Dalmia Seven Refractories Limited, subsidiary of the Company not exceeding a sum of ₹ 20 Crores at any point of time.

(iv) The Board of Directors approved acceptance of Inter-Corporate deposits from Dalmia Cement Bharat Limited up to a limit of ₹ 45 Crores.

(v) The Board approved to grant loan to Dalmia Seven Refractories Limited upto an amount of ₹ 5 Crores.

(vi) Mr. M.K. Doogar, independent director vacated his office due to cessation of his tenure on 31st March, 2021

N C KHANNA
Practicing Company Secretary
C P No. 5143
FCS No. 4268
UDIN:- F004268C000743853

Place : New Delhi
Date : 11th June 2021

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

ANNEXURE-A

Secretarial Audit Report

To,
The Members
DALMIA REFRACTORIES LIMITED
CIN- L2429TN1973PLC006372
Dalmiapuram P.O. Kallakudi
Tiruchirappalli
Tamil Nadu – 621651
India

Our report of even date is to be read along with this letter.

1. *Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.*
2. *We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.*
3. *We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company*
4. *Whenever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*
5. *The compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to the verification of procedures on test basis.*
6. *The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.*

N C KHANNA
Practicing Company Secretary
C P No. 5143
FCS No. 4268

Place : New Delhi
Date : 11th June 2021

ANNEXURE-4

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

A. Conservation of Energy

(a) The steps taken/ impact on conservation of energy:-

(i) Increase in the length of the Ring Chamber Kiln for better utilization of fuel gas. By this our fuel efficiency of the Ring Chamber Kiln has increased. The relevant figures are reproduced below to reflect the impact:
2018 - 2019 - Fuel Factor - 73 Kg/MT of Saleable Product.
2019 - 2020 - Fuel Factor - 71 Kg/MT of Saleable Product
2020 - 2021 - Fuel Factor - 66.7 Kg/MT of Saleable Product

(ii) Change in Office Floor Space layout to conserve power on Lighting and AC's.

(iii) Replacement of conventional CFL lighting with LED.

(iv) Modification of the Ring chamber kiln lines to improve suction efficiency. This has resulted in savings of 10 units/MT of refractory bricks fired in these kiln.

(b) The steps taken by the Company, for utilizing alternate sources of energy:-
Laying of Transparent sheets on the plant sheds to utilize the sunlight in daytime.

(c) The capital investment on energy conservation equipments:-
The Company has invested about 51 lakhs during the FY 2020-21 to conserve the energy.

B. Technology Absorption:

1. ***The efforts made towards technology absorption:***
   Continuous efforts are being made for developing better performing products.

2. ***The Benefits derived like Product improvement, cost reduction, product development, import substitution, etc.:*** *NA*

3. ***No technology has been imported in the last three years.***

4. ***Expenditure incurred on Research and Development.***
   An amount of ₹ 82 lakhs was incurred on research and development during the year.

C. Foreign Exchange Earnings and Outgo

(i) ***Foreign Exchange earned in terms of actual inflows during the year:*** *₹ 2,784.92 lakhs.*
(ii) Foreign Exchange outgo during the year in terms of actual outflows: *₹ 3,457.20 lakhs.*

ANNEXURE-5

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21

Sl. No.	Name of Director	Remuneration of Director for Financial year 2020-21 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. M.K. Doogar** Independent Director	2.40	(4.00%)	0.85:1
2.	Mr. Deepak Thombre Independent Director	2.45	(5.77%)	0.86:1
3.	Mr. C. Nagaratnam Independent Director	2.45	(5.77%)	0.86:1
4.	Ms. Leena Rawal Non-Executive Director	1.00	0%	0.35:1
5.	Mr. Sameer Nagpal* Executive Director	-	-	-

** Mr. Sameer Nagpal, Managing Director of the Company, is in the employment of Dalmia Bharat Limited, a Promoter Group Company and has not drawn any remuneration from the Company during the year.*
*** Mr. M.K Doogar has ceased to be a director of the Company effective April 01, 2021 pursuant to expiry of his tenure as Independent Director on March 31, 2021.*

Note: a. Sitting fees paid to Directors for attending the meetings of the Board and Committees and Commission paid to the Directors on the net profits of the Company forms part of the Remuneration paid to the Directors.
b. The median remuneration of employees of the Company during the financial year 2020-21 was ₹ 2.84 lakhs

(ii) The percentage increase in the median remuneration of employees in the financial year was 2.41%.

(iii) There were 303 permanent employees on the rolls of Company as on March 31, 2021;

(iv) During the period under review, there was no increase in the salaries/ remuneration of employees of the company. Further, no managerial remuneration was paid during the financial years 2020-21 and 2019-20.

(v) There was no increase in the remuneration of Chief Financial Officer and Company Secretary of the company in the financial year 2020-21.

(vi) It is hereby affirmed that the remuneration paid during the year ended March 31, 2021 is as per the Remuneration Policy of the Company.

ANNEXURE-5A

Statement of particulars of Employees pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on 31.03.2021

S. No	Name	Age	Designation	Qualifications	Experience (Years)	Date of commencement of Employment	Last Employment held	Remuneration received (in Lakhs)	Whether related to a Director
1	Mr. Manoj Kumar Rathi	52	Senior Vice President	CA	25	04-Sep-2018	Grofers India Pvt Ltd	85.15	No
2	Mr. Himanshu Das	52	Vice President	B.Tech - Ceramic	27	14-May-2018	Tata Krosaki Ltd	49.28	No
3	Mr. Ajay Muralidhar	43	Senior General Manager	B.Tech-Mechanical	21	01-Oct-2020	Fractional Column, The Business Refinery	47.31	No
4	Mr. Rahul Goyal	35	Deputy General Manager	CA	13	03-Dec-2018	Eli Research India Pvt Ltd	43.32	No
5	Mr. Sanat Ganguli	39	Senior General Manager	B.Tech	16	03-Mar-2016	Wislo India (Wugang)	42.23	No
6	Mr. Nishant Nayan	41	General Manager	LLB	14	01-Mar-2019	Preethi Kitchen Appliances Pvt Ltd	39.42	No
7	Ms. Rohini Kumar	37	General Manager	MBA	14	09-Apr-2018	Eicher Polaris Pvt Ltd	35.99	No
8	Mr. Sumanta Mukhopadhyay	54	Senior General Manager	B.E., M.B.A	32	15-Feb-2017	V.M.Corporation	33.69	No
9	Mr. Dipankar Das	58	General Manager	B.Tech	35	31-Jan-2005	Kesoram Refractories	26.93	No
10	Mr. Sunil Kumar Barnawal	43	Assistant General Manager	CA	16	17-Sep-2018	Scania Solutions Pvt Ltd.	26.11	No

Notes:

1. *Remuneration shown above is Cost to Company (CTC), excluding gratuity.*
2. *None of above employees held 2% or above of the equity shares of the Company as on 31st March, 2021 either himself and/ or alongwith his/ her spouse or dependent children.*

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

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

Our Corporate culture defines who we are, what we stand for and how we do business. The Group's history and its culture have been founded on the principle of good governance makes sound business sense. Our reputation has been built on our resolve to maintain the highest ethical and professional standards at all times, underpinned by a well- defined and effective system of governance.

The company's philosophy on corporate governance is to conduct business in a fair, transparent and ethical manner and enhancing stakeholder value. We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders.

Our policies are constantly reviewed and improved keeping in mind our goal of maximization of values to all the stakeholders. The Company has complied and observed with all the mandatory provisions of the SEBI Listing Regulations, as amended from time to time, with regard to Corporate Governance. Company is maintaining maximum transparency in passing on information to the shareholders. Additionally, your Company believes in complying with all the applicable laws of the country, in its letter as well in Spirit.

Dalmia Bharat Group represents modern India which has a blend of traditional Indian values such as Integrity, Trust, Respect, Humility & Commitment and an aggressive performance driven culture. We inculcate an operational work behavior of Speed, Learning, Teamwork & Excellence to complement the performance culture.

This Chapter along with the Section on Management Discussion and Analysis reports Dalmia Refractories Limited's (DRL's) compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. Board Of Directors

Composition of the Board

The Board is the apex body which is appointed by the shareholders of the Company. The member of the Board occupies dual responsibility, i.e., Agent & Fiduciary. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors including Independent Directors and Woman Independent Director.

As on March 31, 2021, the Board of the Company comprised of five members, one Executive Director and four Non-Executive Directors out of which three were Independent Directors and one Woman Director.

The Composition of the Board as on March 31, 2021 is as under:

Non-Executive and Independent Directors	60%
Non-Executive Directors and Non Independent Directors	20%
Executive Directors	20%
Total Board Size and Composition	**100%**

The Chairman of the Board is the Non- Executive Independent Director and is not related to the Managing Director. The composition of the Board is in conformity with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Further, All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields and none of the Directors are related to each other or to any Key Managerial Personnel of the Company.

All the Independent Directors have given a declaration of independence in terms of Section 149(6) of the Companies Act, 2013 and rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in *these regulations and are independent of the management.*

Mr. Mahendra Kumar Doogar has ceased to be a Director of the Company effective April 1, 2021 pursuant to cessation of his term as Independent Director on March 31, 2021.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board Meetings are generally held at the Corporate office of the Company, however due to the Covid-19 pandemic and to adhere to the social distancing norms/ protocols, during the financial year, the meetings of the Board of directors were held through video conferencing mode in accordance with the applicable relaxations provided by the SEBI and MCA Circulars in this regard. The Board meets at least once a quarter and additional meetings are requisitioned, whenever necessary.

The Board have met 4 (four) times during the financial year 2020-21, i.e., on June 16, 2020, August 21, 2020, November 11, 2020 and February 12, 2021. The maximum gap between any two meetings was less than 120 days during the financial year 2020-21.

Table 1 gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships. Table 2 provides the names of the listed entities where the Directors of the Company hold directorship and the category of directorship. And Table 3 is a Chart setting out the skills/expertise/ competence of the Directors as identified by the Board in context of the Business(es) and sector(s) for Board to function effectively and Table 4 is the Chart setting out Core Skills/ Expertise and Competencies of the Directors.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed and continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory Authority. A Certificate in this regard from Mr. N.C. Khanna, Practising Company Secretary is enclosed at the end of the report.

Table 1:
Composition of the Board of Directors as on March 31, 2021

Name of the Directors	Category	Attendance Particulars			No. of other Directorship(s) and other Committee(s) Memberships '/ Chairmanships'		
		Number of Board Meetings		Last AGM	Directorships @	Committee Memberships' #	Committee Chairmanships' #
		Held	Attended				
Mr. Deepak Thombre	Independent	4	4	Yes	-	-	-
Mr. C. Nagaratnam	Independent	4	4	Yes	-	-	-
Mr. M.K. Doogar	Independent	4	4	Yes	4	7	-
Mr. Sameer Nagpal	Executive	4	4	Yes	2	-	-
Ms. Leena Rawal	Non-Executive	4	4	No	5	-	-

@ *Excluding directorships in Private Limited Companies, Foreign Companies and Section 8 Companies under the provisions of the Companies Act, 2013;*

As required by Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholder's relationship committee in Indian public companies (listed and unlisted);

Notes:

1. *None of the Directors (i) hold membership in more than ten public limited companies and (ii) is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director (iii) hold directorship in more than eight listed companies and serve as an independent director in more than seven listed companies;*

2. *Mr. M.K. Doogar has ceased to be a Director of the Company effective April 1, 2021 pursuant to cessation of his term as Independent Director on March 31, 2021.*

Table 2:
Details of other Listed Entities in which directorship is held by the Directors of the Company

Name of the Directors	Name of the other listed entities in which directorship held	Category
Mr. Deepak Thombre	Nil	-
Mr. C. Nagaratnam	Nil	-
Mr. M.K. Doogar	1. Sanghi Industries Limited 2. Kamdhenu Limited 3. Morgan Ventures Limited 4. Frick India Limited	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Mr. Sameer Nagpal	Nil	-
Ms. Leena Rawal	1. Alirox Abrasives Limited	Whole Time Director & CEO

Table 3:
Board Skill Matrix:
Pursuant to Schedule V of the SEBI Listing Regulations, core skills/expertise /competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors. The detailed Chart/ Matrix of such core skills/ expertise/ competencies along with the names of the Directors who possess such skills is given in the below table:

Sl. No.	Experience/ Expertise/Attribute	Comments
1.	Leadership	Should be a Visionary with strategic goal for the Company, help the Company to identify possible road maps and mentor the leadership team to channelize the energy/efforts in appropriate direction. Should be a thoughtful leader and a role model in good governance and ethical conduct of business, while encouraging the organization to maximize shareholder value.
2.	Industry Knowledge and Experience	Should possess domain knowledge in businesses in which the company participates viz. manufacture and sale of Refractory and allied products and services and such other areas as appropriate for betterment of Company business.
3.	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's business.
4.	Governance including legal compliance	Should have Commitment, belief and experience in setting corporate governance practices to support the Company's legal Compliance systems and Governance policies/practices.
5.	Expertise/ Experience in Finance & Accounts/ Audit/ Risk Management areas	Should be able to understand Financial policies, accounting statements and disclosure practices and contribute to the financial/risk management polices/ practices of the Company.

Table 4:
Chart setting out Core Skills/ Expertise and Competencies of the Directors

Sl No.	Name of the Director	Skills/expertise/competencies identified by the board of directors as required in the context of its business(es)
1.	Mr. Deepak Thombre	• Leadership • Industry Knowledge and Experience • Experience and Exposure in policy shaping and industry advocacy
2.	Mr. C. Nagaratnam	• Industry Knowledge and Experience • Experience and Exposure in policy shaping and industry advocacy
3.	Mr. M.K. Doogar	• Expertise/ Experience in Finance & Accounts/ Audit/ Risk Management areas • Governance including legal compliance
4.	Mr. Sameer Nagpal	• Leadership • Industry Knowledge and Experience • Experience and Exposure in policy shaping and industry advocacy • Expertise/ Experience in Risk Management areas
5.	Ms. Leena Rawal	• Governance including legal compliance • Expertise/ Experience in Finance & Accounts/ Audit

Meeting of Independent Directors and Familiarization Programme

During the year under review, the Independent Directors have met once on February 12, 2021 without the attendance of non-independent directors and members of the management. All independent directors of the company were present at the meeting. The meeting of the directors on February 12, 2021 was held to inter alia:

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

All the Independent Directors of the Company namely, Mr. M.K. Doogar, Mr. C. Nagaratnam and Mr. Deepak Thombre, have given their requisite declaration of independence in terms of Section 149(6) of the Companies Act, 2013 and rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 and SEBI Listing Regulation, as amended from time to time. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

The Directors are also regularly familiarized by way of periodic presentations at the Board and Committee meetings inter-alia with respect to updates on approved projects, business opportunities and proposed projects, updates on Enterprise Risk Management, demand supply scenario, benchmarking and statutory and regulatory changes. Detailed presentations on the Company's subsidiaries, associates, business segments are made.

The Company is regularly imparting familiarization programmes for its Independent Directors. The details of such familiarization programme for the year have been disclosed at the website of the Company at www.dalmiarefractories.com

Information Supplied to the Board

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

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

The Board has accepted all the recommendations made by its Committees during the year.

Details of the shares and convertible instruments held by the Directors as on March 31, 2021

Name of the Director	Category of directorship	Number of shares held	No. of Convertible Instruments held
Mr. C. Nagaratnam	Independent	40	Nil
Mr. M. K. Doogar	Independent	Nil	Nil
Mr. Deepak Thombre	Independent	Nil	Nil
Mr. Sameer Nagpal	Executive	Nil	Nil
Ms. Leena Rawal	Non-executive	Nil	Nil

Remuneration Paid to Directors and ESOPs'

The remuneration payable to the Executive Directors and Non-Executive Directors is decided by the Nomination and Remuneration Committee constituted by the Board of Directors.

The Non-Executive Directors are entitled to sitting fees for attending the Board meetings and the Committee meetings, profit related commission and reimbursement of expenses incurred by them or undertaking their duties as Directors of the Company.

The sitting fees is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Board of Directors of the Company.

The Non-Executive including Independent Directors, apart from the sitting fees, are eligible for a commission of upto 1% of the net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013, as approved by the shareholders in their general meeting subject to a maximum of ₹ 3 lakhs in aggregate in terms of Articles of Association of the Company. The commission payable is decided by the Board of Directors of the Company.

The details of remuneration paid, during the year, to the Directors are given below:-

Details of remuneration paid to Directors during the financial year 2020-21

(₹ in Lakhs)

Name of the Directors	Category of directorship	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission	Total
Mr. Deepak Thombre	Independent	1.45	-	-	1.00	2.45
Mr. C. Nagaratnam	Independent	1.45	-	-	1.00	2.45
Mr. M.K. Doogar	Independent	1.40	-	-	1.00	2.40
Mr. Sameer Nagpal	Executive	-	-	-	-	-
Ms. Leena Rawal	Non-Executive	1.00	-	-	-	1.00

During the year, 33,000 ESOPs has vested in Mr. Sameer Nagpal under the DRL Employee Stock Option Scheme 2018 ('DRL ESOP 2018'). As on March 31, 2021, a total of 49,500 ESOPs has been vested in Mr. Sameer Nagpal. Mr. Sameer Nagpal has not exercised any option during the year 2020-21.

Apart from him, no other Director/ Employee of the Company has been granted any stock options during the year.

III. Committees Of The Board

As on March 31, 2021, the Company has four Board-level Committees – Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the

Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on March 31, 2021, the Audit Committee of the Board consists of three members namely Mr. Deepak Thombre, Chairman of the Audit Committee, Mr. C. Nagaratnam and Mr. M.K Doogar. Ms. Akansha Jain, Company Secretary acts as the Secretary to the Committee. The scope, compliances, functions and composition of the committees met the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. All members of the Audit Committee possessed requisite accounting and financial management expertise. Mr. Deepak Thombre, Chairman of the Committee was present at the Annual General Meeting of the Company held on September 23, 2020.

The Audit Committee met four times during the year 2020-21, i.e., on June 16, 2020, August 21, 2020, November 11, 2020 and February 12, 2021.The time gap between any two meetings during the year was less than four months. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Attendance Record of DRL'S Audit Committee during 2020-2021

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. Deepak Thombre	Independent	Chairman	4	4
2. Mr. M.K. Doogar	Independent	Member	4	4
3. Mr. C. Nagaratnam	Independent	Member	4	4

Note: The composition of the Committee has changed effective April 1, 2021 pursuant to cessation of Mr. M.K. Doogar as Director of the Company.

The Board has accepted all the recommendations made by the Audit Committee. The Statutory Auditor and Internal Auditors are also regularly invited by the Audit Committee to discuss their comments and recommendation of accounts, internal controls and processes. The Statutory Auditors and Internal Auditors were present at all Audit Committee meetings held during the year. The Managing Director and Chief Financial Officer are permanent invitees to the meetings of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Role and terms of reference of the Audit Committee covers all the areas prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the Internal Audit Reports and action taken reports of the management thereupon. It also reviews and discusses with the management and Statutory Auditors, the quarterly results, financial statements and such other related issues before their submission to the Board.

The Broad terms of reference of the Audit Committee therefore include:

- *Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;*
- *Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;*
- *Review and monitor the auditor's independence and performance, and effectiveness of audit process;*
- *Examination of the financial statement and the Auditors' report thereon;*
- *Approval or any subsequent modification of transactions of the company with related parties;*
- *Scrutiny of inter-corporate loans and investments;*
- *Valuation of undertakings or assets of the company, wherever it is necessary;*
- *Evaluation of internal financial controls and risk management systems;*

- *Monitoring the end use of funds raised through public offers and related matters, etc.*
- *Discussion with internal auditors of any significant findings and follow up there on;*
- *To review the functioning of the Whistle Blower mechanism*

The following information is reviewed by the Audit Committee:

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

Fees paid to Statutory Auditors

The amount of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to, the Statutory Auditor in the financial year 2020-21 is disclosed in Note No. 26.

b) Nomination and Remuneration Committee

As on March 31, 2021, The Nomination and Remuneration Committee of your company comprised of three members namely Mr. M. K. Doogar, Chairman of the Audit Committee, Mr. C. Nagaratnam and Mr. Deepak Thombre. Ms. Akansha Jain, Company Secretary act as the Secretary to the Committee.

During the financial year ended March 31, 2021, two meetings of the Nomination and Remuneration Committee were held on June 16, 2020 and February 12, 2021. Mr. M. K Doogar, Chairman of the Committee was present at the Annual General Meeting of the Company held on September 23, 2020.

The composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below:

Composition and Attendance Record of DRL'S Nomination and Remuneration Committee during 2020-21

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. M.K. Doogar	Independent	Chairman	2	2
2. Mr. Deepak Thombre	Independent	Member	2	2
3. Mr. C. Nagaratnam	Independent	Member	2	2

Note: The composition of the Committee has changed effective April 1, 2021 pursuant to cessation of Mr. M.K. Doogar as Director of the Company.

The Terms of Reference of Nomination and Remuneration Committee are:

The Nomination and Remuneration Committee is empowered and authorized, inter-alia, to do all such acts, deeds and things and to perform all such duties as may be required under the Companies Act, 2013 and rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended / modified from time to time, and such other matters as may be referred to the Nomination and Remuneration Committee from time to time, including but not limited to:

- *Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, remuneration for the Directors, Key Managerial Personnel and other employees*
- *Devising a policy on diversity of Board of Directors*
- *Identifying persons who are qualified to become Directors / Independent Directors in accordance with the criteria laid down, and recommend to the Board their appointment and removal;*
- *Identifying and selecting potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions*
- *Review and evaluate the performance of the Directors*
- *Administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme.*

Performance Evaluation Criteria

The Nomination and Remuneration Committee, as part of the Nomination and Remuneration Policy, has formulated criteria and specified the manner of effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and effective evaluation of performance of key managerial personnel and senior management; and reviews its implementation and compliance.

During the financial year 2020-21, the performance evaluation of the Board and Committees of the Board was carried out by the Board. Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

c) Stakeholders' Relationship Committee

As on March 31, 2021, the Stakeholders' Relationship Committee of your company comprised of three members namely Mr. C. Nagaratnam, Chairman of the Committee, Mr. Deepak Thombre and Mr. M.K. Doogar. The scope, constitution, composition and functioning of the Stakeholders Relationship Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, as amended from time to time.

Mr. C. Nagaratnam, Chairman of the Committee was present at the Annual General Meeting of the Company held on September 23, 2020.

The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders. The composition of Stakeholders' Relationship Committee and details of meetings attended by the members are given below:

Attendance Record of DRL'S Stakeholders' Relationship Committee during 2020-21

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. C. Nagaratnam	Independent	Chairman	1	1
1. Mr. Deepak Thombre	Independent	Member	1	1
2. Mr. M.K. Doogar	Independent	Member	1	1

Note: The composition of the Committee has changed effective April 1, 2021 pursuant to cessation of Mr. M.K. Doogar as Director of the Company.

Ms. Akansha Jain, Company Secretary, is the compliance officer of the Company and responsible for ensuring compliance with the requirements of Securities Laws.

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

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

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

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

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

During the year, complaints received from investors were resolved in time to the satisfaction of the concerned investors. Details regarding the same are given below:

Details of Complaints from Shareholders during 2020-2021

Nature of Complaint	Pending as on 1st April 2020	Received during the year	Answered during the year	Pending as on 31st March, 2021
1. Transfer/Transmission/Duplicate	NIL	11	11	NIL
2. Non-reciept of dividend/interest/redemption warrant	NIL	74	74	NIL
3. Non-reciepts of Annual Reports	NIL	NIL	NIL	NIL
4. Others	NIL	NIL	NIL	NIL
5. Compliants received from:				
- Securities and Exchange Board of India	NIL	NIL	NIL	NIL
- Stock Exchanges	NIL	1	1	NIL
- Registrar of Companies/Department of Company Affairs	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL
Total	**NIL**	**86**	**86**	**NIL**

d) Corporate Social Responsibility Committee

As on March 31, 2021, the Corporate Social Responsibility Committee of your company comprised of three members namely Mr. Deepak Thombre, Chairman of the Committee, Mr. C. Nagaratnam and Mr. Sameer Nagpal. The scope, constitution, composition and functioning of the Corporate Social Responsibility Committee meets the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. During the financial year ended March 31, 2021, Corporate Social Responsibility Committee met once on June 16, 2020.

The composition of Corporate Social Responsibility Committee and details of meetings attended by the members are given below:

Attendance Record of DRL'S Corporate Social Responsibility Committee during 2020-21

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. Deepak Thombre	Independent	Chairman	1	1
2. Mr. C. Nagaratnam	Independent	Member	1	1
3. Mr. Sameer Nagpal	Executive	Member	1	1

The role, powers and terms of reference of the Corporate Social Responsibility Committee covers all the areas prescribed under Section 135 of the Companies Act, 2013 besides other terms as referred by the Board of Directors from time to time.

The role of Corporate Social Responsibility Committee broadly includes the following:

- *Formulate and recommend Corporate Social Responsibility Policy to the Board which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;*
- *Recommend the amount of expenditure to be incurred on activities to be undertaken by the Companies in the areas or subject, specified on Schedule VII of the Companies Act, 2013.*
- *Monitor the Corporate Social Responsibility Policy from time to time*

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at www.dalmiarefractories.com

IV. General Body Meetings

The AGMs are usually held at the registered office of the Company. But due to the COVID Pandemic and lockdown situation across the Country and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 (collectively referred as "MCA Circulars"), had permitted companies to hold their AGM through VC/OVAM for the calendar year 2020, accordingly the AGM during the year 2020 was held through Audio Video Means.

The Chairman/Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee attend the AGMs to respond to the queries of the shareholders.

Also, the representatives of the Statutory Auditors and Secretarial Auditors attend the AGMs to respond to the queries of shareholders, if any, with respect to audit observation / matter of emphasis or otherwise.

The representatives of the Registrar and Transfer Agent checks and verifies the attendance of members and Scrutinizer scrutinizes the voting and provides report thereon.

Details of the last three Annual General Meetings (AGMs) are given below:-

a.) Details of last three AGMs

Financial year	Date of AGM	Time	Location
2019-2020	23.09.2020	11.00 am	Through Video Conferencing
2018-2019	12.09.2019	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2017-2018	19.09.2018	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu

b.) Special resolutions passed during the last three AGMs

Date of AGM	Particulars
23.09.2020	None
12.09.2019	None
19.09.2018	• Re-appointment of Mr. M.K. Doogar as Independent Director of the Company for a term of 2 years with effect from 1st April, 2019 • Appointment of Mr. Deepak Thombre as Independent Director for a term of 2 years. • Appointment of Mr. Sameer Nagpal as Managing Director for a term of 5 years w.e.f 1st June, 2018. • Approval of Dalmia Refractories Limited – Employees Stock Option Plan 2018 (DRL ESOP 2018) • Grant of options equal to or exceeding one percent of the issued capital to the identified employee/directors under the Dalmia Refractories Limited – Employees Stock Option Plan 2018 (DRL ESOP 2018)

c.) Postal Ballot
No Resolution was passed during financial year 2020-21 through postal ballot.

As on the date of this report, no Special Resolution is proposed to be passed through Postal Ballot.

V. Means of Communication with Shareholders

a) Quarterly Results
The unaudited quarterly & half yearly/ audited annual financial results of the Company prepared in the format prescribed by SEBI Listing Regulation, as amended from time to time are recommended by the Audit Committee and approved by the Board of Directors. The same are limited reviewed/ audited by the Statutory Auditors and are submitted to the Stock Exchanges, on which the shares of the Company are listed, i.e., Metropolitan Stock Exchange of India Ltd (MSEI) and Calcutta Stock Exchange Limited (CSE), within a period of 45 days of the close of every quarter and within a period of 60 days in case of annual financial results. However, pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 the annual financial results for the financial year ended March 31, 2020 were permitted to be submitted to the Stock Exchanges on or before July 31, 2020. Accordingly, same were approved by the Board of Directors and submitted to the Stock Exchanges on June 16, 2020.

The approved financial results are normally published in Financial Express, i.e, the English language national daily newspaper circulating in the whole or substantially the whole of India and in Makkal Kural, i.e., the daily newspaper published in the language of the region where the registered office of the Company is situated, i.e., Tamil in accordance with the provision of Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the relaxation provided by the SEBI vide its Circular No. SEBI/HO/CFD/ CMD1/CIR/P/ 2020/79 dated May 12, 2020 with respect to publication of events under Regulation 47 of the SEBI Listing Regulations till June 30, 2020, the Company has not published its Audited Financial Results for the year ended March 31, 2020 approved by the Board on June 16, 2020 in the newspapers.

The financial results are also posted on the website of the Company, i.e., www.dalmiarefractories.com. And all material information about the Company and documents under the SEBI Listing Regulations are also communicated to the concerned Stock Exchanges, besides being placed on the Company's website.

b) Disclosures
The quarterly Shareholding Pattern, Investors Complaint Report, Corporate Governance Report and other Disclosures as per SEBI Listing Regulations, as amended from time to time, are also filed electronically on My Listing Portal of MSEI and Compliance Uploader of CSE.

VI. General Shareholders Information

a) Annual General Meeting
The Annual General Meeting of the Company is scheduled to be held on September 22, 2021 at 11 a.m. through video conferencing or other audio video means.

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 21, 2021 to Wednesday, the September 22, 2021 (both days inclusive) for the purpose of Annual General Meeting.

b) Financial year
The financial year of the Company is from April 01, 2020 to March 31, 2021.

c) Dividend Payment
The Board of Directors has, at its meeting held on May 31, 2021, recommended a dividend of ₹ 1/- (10 %) per equity share of face value of ₹ 10/- each for the financial year 2020-21 and same shall be paid to the members of the Company whose names appear in the Register of Members of the Company as on the date of commencement of the Book Closure for the purposes of payment of dividend.

The dividend will be paid after the approval of the shareholders at Annual General Meeting and it will be paid within a period of thirty days from the date of declaration by the shareholders at the AGM.

The dividend shall be paid through any of the electronic mode of payment facility as approved by the Reserve Bank of India. However, where it is not possible to use electronic mode of payment, Demand Drafts/ Dividend warrant shall be issued.

d) Disclosures with respect to Unpaid/ Unclaimed Dividend and Shares
Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, if any dividend is not claimed for a consecutive period of 7 years from the date of transfer of the total amount of dividend which remained unpaid or unclaimed to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund ("IEPF) established under sub-section (1) of section 125 of the Act.

Further, the shares in respect of above unpaid or unclaimed dividend for a period of 7 consecutive years, are also liable to be transferred to the Demat Account of

IEPF Authority in pursuance to the provisions of the Act read with its Rules made thereunder.

In this regard, the company has sent periodical reminders by sending notice individually and also by publishing the same in newspaper. The list of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority, were also placed on the website of the Company in the interest of the shareholders, in order to avoid transfer of dividend/Shares to said Authority.

In view of above, during the financial year ended on March 31, 2021, the Company has transferred ₹ 2,05,511/- to IEPF Authority i.e. the amount of unclaimed dividends outstanding for a consecutive period of 7 years. And further during the period, 13,175 (0.42%) equity shares of the Company were credited to the Demat Account of IEPF Authority with respect to those shareholders of which dividend had remained unclaimed for seven consecutive years.

The Company has complied with all the requirements of the Companies Act, 2013 read with its rules made thereunder and all amounts & shares due to be credited to the Investor Education and Protection Fund have been duly credited within the time specified under the said section.

e) Listing of Securities

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

a. *Metropolitan Stock Exchange of India Limited,*
Vibgyor Towers, 4th floor, Plot No C 62,
G - Block, Opp. Trident Hotel,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 098

b. *Calcutta Stock Exchange*
7, Lyons Range, Kolkata – 700 001

The annual listing fee has been paid for the year 2021-22 to both the above-mentioned Stock Exchanges.

f) Stock Code

Metropolitan Stock Exchange of India Limited: ***DALMIAREF***
ISIN (for Dematerialized Shares) : ***INE200F01017***

g) Stock Market Data

The last traded price of shares was ₹ 112.50 on 29th January, 2015 at NSE.

At present, the shares of the Company are listed at Metropolitan Stock Exchange of India Limited and Calcutta Stock Exchange and no trading has taken place during the year 2020-21.

h) Registrar and Transfer Agent

KFin Technologies Private Limited
(Formally known as Karvy Fintech Private Limited)
Unit- Dalmia Refractories Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Tel No: 040-67161500; Fax: 040-23001153;
Email: einward.ris@kfintech.com;
Website: www.kfintech.com

All activities in relation to the share transfer facility are maintained by the Registrar and Share Transfer Agent. All the correspondences relating to share transfer, transmission, dematerialization, re-materialization etc. can be made at the aforementioned address.

i) Share Transfer System and dematerialization of shares and liquidity

The Company has provided demat facility to its shareholders with National Securities Depository Limited as well as Central Depository Services Limited.

As on March 31, 2021, 94.91% of the equity shares of the Company are in the dematerialized form. The promoters of the Company hold their entire shareholding in dematerialized form.

During the financial year 2020-21, except in case of transmission or transposition of shares, requests for effecting transfer of shares were not processed unless shares were held in the dematerialized form with a depository, in compliance with Regulation 40 of SEBI Listing Regulations.

A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Manish Ghia & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings.

j) Unclaimed Suspense Account

Not Applicable

k) Distribution of Shareholding

The distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2021 is given below:

Shareholding Pattern by size

Category (Shares)	No. of Holders	% to Holders	No. of Shares	% To Equity
1-500	3418	95.13	295389	9.37
501-1000	93	2.59	65127	2.07
1001-2000	39	1.09	57658	1.83
2001-3000	10	0.28	24694	0.78
3001-4000	8	0.22	28589	0.91
4001-5000	2	0.06	8645	0.27
5001-10000	8	0.22	66609	2.11
10001-20000	7	0.19	103566	3.29
20001 and above	8	0.22	2501807	79.37
Total	**3593**	**100.00**	**3152084**	**100.00**

Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	9	0.25	679	0.02
Directors & their relatives	7	0.19	1333	0.04
H.U.F	34	0.95	12466	0.40
Bodies Corporate	44	1.22	31171	0.99
Non Resident Indians	1	0.03	100	0.00
Non Resident Indian Non Repatriable	9	0.25	2057	0.07
Promoter Bodies Corporate	8	0.22	2043577	64.83
Resident Individuals	3479	96.83	958207	30.40
Trusts	1	0.03	50	0.00
IEPF	1	0.03	102444	3.25
Total	**3593**	**100.00**	**3152084**	**100.00**

l) Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments, hence this section is not applicable to the Company.

m) Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company has in place a risk management policy for foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

n) Details of Plant Locations and Address for Correspondence

Registered Office Address – Dalmiapuram Plant	Khambalia Plant	Head Office - Correspondence Address
Dalmia Refractories Limited Dalmiapuram, P.O.Kallakudi-621651 Dist. Tiruchirappalli, Tamil Nadu Ph: 04329-235133/144/155 Fax : 04329-235122	Dalmia Refractories Limited P. Box-10, Jam-Khambalia-361305, Dist. Devbhumi Dwarka, Gujarat Ph : 02833-234112 Fax : 02833-234038	Dalmia Refractories Limited 4, Scindia House, Connaught Place, New Delhi-110001 Ph: 011-23457100

o) Website

The Company has a functional website i.e. www.dalmiarefractories.com that contains relevant information updated in time in compliance with regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Credit Rating

During the year, CARE (CARE Ratings Ltd) has given to the Company, the credit rating of CARE A-; under credit watch with positive implications for long term facilities and CARE A2+; under credit watch with positive implications for short term facilities obtained by the Company from Banks.

VII. Disclosures

a) Related Party Transaction

All related party transactions are approved by the Audit Committee. There are no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

The Company's Policy on Related Party Transactions is posted at www.dalmiarefractories.com. The weblink of the same is https://www.dalmiarefractories.com/pdf-/Related-Party-Transactions-Policy.pdf

b) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is posted at https://www.dalmiarefractories.com/pdf/Material-Subsidiary-Policy.pdf.

As on March 31, 2021, Dalmia GSB Refractories GmbH is the Material Subsidiary of the Company.

The Audit Committee and Board periodically reviews the financial performance of the subsidiary company and the quarterly financial results and annual financial statements are placed before the Audit Committee meetings and Board meetings of the Company. The minutes of meetings of the Board of Directors of the subsidiary company are placed before the Board meeting of the Company. Statement of all significant transactions and arrangements entered into by subsidiaries is brought to the notice of the Board of Directors of the Company.

c) Details of Non-Compliance by the Company

During last three years, there were no instances of non-compliance and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

There has been no non-compliance of any requirements of corporate governance report prescribed under sub-paras (2) to (10) of para (C) of Schedule V of SEBI Listing Regulations.

d) Whistle Blower Policy

*The Company has an established mechanism for Directors, Employees and stakeholders to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee to lodge their grievances. The weblink of Company's policy on Whistle Blower and Vigil Mechanism is https://www.dalmiarefractories.com/-pdf/Whistleblower-Policy_and_Vigil-Mechanism.pdf**e)***

e) Compliance

Mandatory requirements:

The company has obtained the compliance certificate from Practicing Company Secretary with regard to the compliances of the provisions relating to corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015, as amended from time to time. This certificate is annexed to this Report.

Discretionary requirements:

The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders, have been adopted by the Company.

The Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and is provided reimbursement of expenses incurred in performance of his duties.

The standalone financial statements of the Company are with unmodified audit opinion.

The internal auditor reports directly to the Audit Committee.

f) Disclosure of Accounting Treatment in Preparation of Financial Statements

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

g) Code for Prevention of Insider-Trading Practices

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

h) Recommendation of Committees

During the year, the Board has accepted all the recommendations made by the Committees of the Board.

i) Disclosure of Complaints filed under Sexual Harassment Act

The Company is committed to create a workplace free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company has in place a Policy against sexual harassment of women. As disclosed in the Board Report, during the year no case of sexual harassment was filed in the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

j) Details of utilization of funds raised through preferential allotment or qualified institutions placement

No funds have been raised by the Company through preferential allotment or qualified institutions placement in the last three years.

VIII. Code of Conduct

DRL's Board has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code is available on the website of the Company at https://www.dalmiarefractories.com/pdf-/code-conduct.pdf.

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

IX CEO/CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the Managing Director and CFO on the financial statements and internal controls relating to financial reporting has been obtained, and placed before the Board, in their meeting held on May 31, 2021. A copy of the same certificate is enclosed at the end of the report.

CORPORATE GOVERNANCE CERTIFICATE

Independent Auditor's Report on compliance with conditions of Corporate Governance as per provisions of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Dalmia Refractories Limited

1. *The Corporate Governance Report prepared by **Dalmia Refractories Limited** ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March, 2021. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.*

Management's Responsibility

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

3. *The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.*

Auditor's Responsibility

4. *Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.*

5. *We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.*

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

7. *The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.*

8. *The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.*

Opinion

9. *Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2021, referred to in paragraph 1 above.*

Other Matters and Restriction on Use

10. *This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.*

11. *This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Certificate.*

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Place: Mumbai *Membership No. 109859*
Dated: 11th August 2021 *UDIN: 21109859AAAADY6385*

DIRECTORS' DISQUALIFICATION CERTIFICATE

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
DALMIA REFRACTORIES LIMITED
Dalmiapuram P.O. Kallakudi
Tiruchirappalli
Tamil Nadu – 621651
India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DALMIA REFRACTORIES LIMITED having CIN: L24297TN1973PLC006372 and having registered office at Dalmiapuram P.O, Kallakudi Tiruchirappalli TN 621651 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Chandrasekaran Nagaratnam	00266838	27/01/2009
2.	Deepak Ambadas Thombre	02421599	30/10/2008
3.	Leena Rawal	03575675	31/03/2015
4.	Sameer Nagpal	06599230	04/02/2016

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Dated: 2nd May 2021

N C Khanna
(Practicing Company Secretary)
FCS No. 4268
CP No. 5143
UDIN: F004268C000286198

CEO - CFO CERTIFICATE

To
The Board of Directors,
Dalmia Refractories Limited

Dear Sirs,

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2021.

Place: Gurugram
Dated: 31st May 2021

Sameer Nagpal
Managing Director

To
The Board of Directors,
Dalmia Refractories Limited

Dear Sirs,

1. *We have reviewed the Financial Statements and Cash Flow Statement for the year ended March 31, 2021 and certify that to the best of our knowledge and belief:*
   1) *These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading.*
   2) *These Statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.*

2. *We certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.*

3. *We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.*

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

Dated: 31st May 2021

Sameer Nagpal
Managing Director
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of DALMIA REFRACTORIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows 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 "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and profit (including other comprehensive income), statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31st March, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition	
The accounting policies for revenue recognition are set out in Note 3.11 to the standalone financial statements. The terms of sales arrangements, including the timing of transfer of control and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following: • Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal controls related to sales; • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; • Assessed the relevant disclosures made in the Standalone 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), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 the other information identified above, 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 and those charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 standalone 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 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone 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 has adequate internal financial controls with reference to the standalone 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 ability of the 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We draw your attention to the Note no. 45 to the Standalone Financial Statements, regarding "Scheme of Amalgamation and Arrangement" amongst the Companies (i.e. Dalmia Refractories Limited, GSB Refractories India Private Limited, Dalmia Bharat Refractories Limited) and their respective shareholders and creditors wherein Dalmia Refractories Limited will be amalgamated with Dalmia Bharat Refractories Limited on a going concern basis. The appointed date is 1st April 2020. Pending approval of the above scheme by the various regulatory authorities and other Compliances, the Standalone Financial Statements of the Company for the year ended 31st March, 2021 have been prepared on going concern basis. Our opinion is not modified in respect of above matter.

Report on other Legal and Regulatory Requirements

1. *As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.*

2. *Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:*

   (a) *We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;*

   (b) *In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;*

   (c) *The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;*

   (d) *In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;*

   (e) *On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".*

   (g) *In our opinion, the managerial remuneration for the year ended 31st March, 2021 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, in our opinion and to the best of our information and according to the explanations given to us:
   (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 30 to the standalone financial statements.
   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 21109859AAAACC4982

Place: Mumbai
Dated: 31st May 2021

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   (b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
   (c) According to information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:-
As explained to us, inventories have been physically verified during the year by the management except goods in transit which have been verified with reference to confirmations and/or subsequent receipt of material. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, provision paragraph 3 (iii) of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section

148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of customs, Cess and other material statutory dues applicable to it to the appropriate authorities as applicable during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, Goods and Service Tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute except as mentioned below:-

Name of the Statute	Nature of the Dues	Amount (₹ Lakh)*	Period to which the amount Relates	Forum Where dispute is Pending
Madhya Pradesh Vat Act, 2002	Sales Tax	3.90	2009-10 to 2014-15	Sales Tax Department, Katni
The Gujarat VAT Tax Act, 2003	Sales Tax	35.07	2001-2002	The Gujarat High Court, Ahmedabad
Finance Act, 1994	Service Tax	181.37	2004-05 to 2011-12	CESTAT Ahmedabad
Finance Act, 1994	Service Tax	92.7	2012-13 to 2014-15	Commissioner (Appeals), Rajkot
Finance Act, 1994	Service Tax	70.90	2014-15	Assistant Commissioner of Central GST & Central Excise, Jamnagar

*Net of amount paid

(viii) According to the records examined by us and information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks as at Balance Sheet date. The Company has not taken any loans or borrowing from government and has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and no term loans raised during the year. Therefore, provision of clause (ix) of paragraph 3 of the order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) The Company has entered into transactions with related parties in compliance with provisions Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the

Company has not entered into any non-cash transactions with its directors or persons connected with them. Therefore the provisions of clause 3 (xv) of the order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 21109859AAAACC4982

Place: Mumbai
Dated: 31st May 2021

"Annexure B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of DALMIA REFRACTORIES LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone 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 with reference to standalone financial statements 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company 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") issued by the Institute of Chartered Accountants of India (" ICAI") and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control with reference to financial statements 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 ICAI.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 21109859AAAACC4982

Place: Mumbai
Dated: 31st May 2021

Dalmia Refractories Limited
Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	10,006.13	10,339.05
(b) Capital work - in - progress		109.11	96.70
(c) Other intangible assets	4	3.70	-
(d) Financial assets			
(i) Investments	5.1	15,126.28	7,102.23
(ii) Loans	5.2	77.26	81.48
(e) Other non-current assets	6	12.32	-
Total non-current assets		**25,334.80**	**17,619.46**
Current assets			
(a) Inventories	7	5,828.83	6,167.98
(b) Financial assets			
(i) Investments	8.1	-	0.33
(ii) Trade receivables	8.2	5,828.36	3,915.14
(iii) Cash and cash equivalents	8.3	340.98	27.33
(iv) Bank balances other than (iii) above	8.4	239.62	187.06
(v) Loans	8.5	3.55	5.48
(vi) Other financial assets	8.6	413.78	5.84
(c) Current tax assets (net)	9	89.60	105.45
(d) Other current assets	10	1,002.02	784.26
(e) Assets held for disposal		1.51	-
Total current assets		**13,748.25**	**11,198.87**
Total assets		**39,083.05**	**28,818.33**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11.1	315.21	315.21
(b) Other equity	11.2	25,310.92	16,949.94
Total equity		**25,626.13**	**17,265.15**
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	12	105.11	227.26
(b) Provisions	13	360.47	341.38
(c) Deferred tax liabilities (net)	14	1,689.51	1,749.93
Total non-current liabilities		**2,155.09**	**2,318.57**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	2,350.00	3,483.26
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	15.2	605.09	286.05
(b) Total outstanding dues of other than Micro Enterprises and Small Enterprises	15.2	7,110.04	4,231.20
(iii) Other financial liabilities	15.3	537.01	149.36
(b) Other current liabilities	16	678.44	1,048.67
(c) Provisions	17	21.25	36.07
Total current liabilities		**11,301.83**	**9,234.61**
Total Equity & Liabilities		**39,083.05**	**28,818.33**

See accompanying notes to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	18	21,876.21	29,058.05
II	Other income	19	545.03	501.06
III	**Total income (I + II)**		**22,421.24**	**29,559.11**
IV	Expenses			
	Cost of materials consumed	20	10,319.22	11,646.38
	Purchase of stock-in-trade		3,699.83	6,359.94
	Changes in inventories of finished goods and work-in-progress	21	(3.84)	(552.60)
	Employee benefits expenses	22	2,726.79	3,005.38
	Finance costs	23	302.53	264.56
	Depreciation expense	24	682.70	816.70
	Other expenses	25	3,778.35	5,820.76
	Total expenses		**21,505.58**	**27,361.12**
V	Profit for the year before tax (III-IV)		**915.66**	**2,197.99**
VI	Tax expense	26		
	(1) Current tax		358.22	690.00
	(2) Deferred tax		(156.62)	(245.34)
			201.60	444.66
VII	Net Profit for the year after tax (V - VI)		**714.06**	**1,753.33**
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss	27		
	Fair Value of Equity Instruments		7,678.66	(3,487.82)
	Re-measurement of defined benefit plans		(11.45)	(23.94)
	Income tax relating to items that will not be reclassified to profit or loss	26	(96.18)	6.03
			7,571.03	(3,505.73)
IX	Total comprehensive income for the year (VII + VIII)		**8,285.09**	**(1,752.40)**
X	Earning per equity share	28		
	Nominal value of equity shares (₹ 10.00 each)			
	(1) Basic		22.65	55.62
	(2) Diluted		22.65	55.62

See accompanying notes to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	915.66	2,197.99
	Adjustments:		
	Depreciation and Amortization Expense	682.70	816.70
	Provision no longer required written back	(73.02)	(55.31)
	Provision for expected credit loss	197.50	(27.08)
	Bad Debts written off	15.25	21.07
	Advances written off	0.52	10.52
	Dividend Income	-	(28.02)
	Finance Cost	302.53	264.56
	Interest Income	(27.57)	(46.83)
	Profit on sale of Current Investments	(0.03)	-
	Corporate Guarantee Income	(169.23)	-
	Financial Guarantee Income	-	(43.30)
	Loss/ (Profit) on disposal of Property, Plant & Equipment	4.83	(0.65)
	Operating Profit before working Capital Changes	**1,849.14**	**3,109.65**
	Adjustments for working Capital changes :		
	Inventories	339.15	(1,209.54)
	Trade and Other Payables	3,281.83	(705.34)
	Trade and Other Receivables	(2,383.43)	(1,008.49)
	Cash Generated from Operations	**3,086.69**	**186.28**
	Income Tax Paid	342.35	768.34
	Net Cash from/ (used in) Operating activities	**2,744.34**	**(582.06)**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment and CWIP	(263.73)	(569.19)
	Sale proceeds of Property, Plant & Equipment	0.13	0.66
	Sale of Current Investments (net)	0.36	-
	Investment in Subsidiaries	(550.51)	(442.93)
	Inter corporate deposit to subsidiary	(200.00)	-
	Margin Money/ Fixed Deposits with banks	(52.56)	(18.15)
	Interest Received	20.36	47.79
	Dividend Received	-	28.02
	Net Cash used in Investing Activities	**(1,045.95)**	**(953.80)**
C	**Cash Flow from Financing Activities**		
	(Repayment of)/ Proceeds from Short term Borrowings (Net)	(1,133.26)	1,469.26
	Finance Cost	(171.54)	(226.20)
	Lease Liability paid	(77.58)	(35.25)
	Dividend Paid (including dividend distribution tax)	(2.36)	(95.76)
	Net cash (used in)/ from financing activities	**(1,384.74)**	**1,112.05**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**313.65**	**(423.81)**
	Cash and cash equivalents (Opening Balance)	27.33	451.14
	Cash and cash equivalents (Closing Balance)	340.98	27.33
	Change in Cash & Cash Equivalents	**313.65**	**(423.81)**

(₹ in Lakhs)

Components of Cash & Cash Equivalents	As At March 31, 2021	As At March 31, 2020
Balances with banks		
- in Current Accounts	340.79	22.85
Gold coins/ Silver Coins/ Stamps	0.19	4.48
Net Cash & Cash Equivalents	**340.98**	**27.33**

Changes in Liabilities arising from Financing Activities *(₹ in Lakhs)*

Particulars	As at April 01, 2020	Cash Flows	Non cash	As at March 31, 2021
Borrowings - Current (Refer Note 15.1)	3,483.26	(1,133.26)	-	2,350.00

(₹ in Lakhs)

Particulars	As at April 01, 2019	Cash Flows	Non cash	As at March 31, 2020
Borrowings - Current (Refer Note 15.1)	2,014.00	1,469.26	-	3,483.26

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Statement of Changes in Equity for the year ended March 31, 2021

(a) Equity Share Capital

(₹ in Lakhs)

Balance of Equity Share Capital	As at 1 April 2019	Changes during the year	As at 31 March 2020	Changes during the year	As at 31 March 2021
	315.21	-	315.21	-	315.21

(b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium	General Reserve	Retained earnings	Share Based Payments Reserve	Equity instruments through other comprehensive income	Actuarial Gain & Losses on DBO	
As at 1 April 2019	**588.02**	**804.82**	**10,849.17**	**46.26**	**6,422.74**	**(15.25)**	**18,695.76**
Movement during FY 19-20							
Profit for the year	-	-	1,753.33	-	-	-	1,753.33
Other comprehensive income	-	-	-	-	(3,487.82)	(17.91)	(3,505.73)
Dividend	-	-	(78.80)	-	-	-	(78.80)
Tax on Dividend	-	-	(16.20)	-	-	-	(16.20)
Employee share-based payment expense	-	-	-	101.58	-	-	101.58
As at 31 March 2020	**588.02**	**804.82**	**12,507.50**	**147.84**	**2,934.92**	**(33.16)**	**16,949.94**
Movement during FY 20-21							
Profit for the year	-	-	714.06	-	-	-	714.06
Other comprehensive income	-	-	-	-	7,579.60	(8.57)	7,571.03
Dividend	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Employee share-based payment expense	-	-	-	75.89	-	-	75.89
As at 31 March 2021	**588.02**	**804.82**	**13,221.56**	**223.73**	**10,514.52**	**(41.73)**	**25,310.92**

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Note 1. Corporate Information

The Company is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and supplying to Core Industries namely Cement, steel and others. The Company is having manufacturing Units at Dalmiapuram (Tamil Nadu), Khambalia and Katni (Madhya Pradesh) and its corporate office is situated at New Delhi. The Securities of the Company are listed at Calcutta Stock Exchange and Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.).

The registered office of the Company is located at Dalmiapuram, P.O. Kallakudi - 621 651, Dist. Tiruchirapalli, Tamil Nadu.

These financial statements of the Company for the year ended 31st March 2021 were approved and adopted by board of directors of the Company in their meeting held on 31st May 2021.

Note 2. Significant accounting policies and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

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 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain financial assets and liabilities, and equity settled share based payments which have been measured at fair value/amortised cost.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees', which is the Company's functional and presentation currency. All values are expressed in ₹ lakh rounded of to the nearest thousand, except when otherwise indicated.

Current vis-à-vis non-current classification

'The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 classified as current when it is:

a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

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 on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances 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.*

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

The useful life and residual value of property, plant & equipment are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. 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.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measures using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

e. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past *history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company assesses at each reporting date whether there is an indication that a Non-financial 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 which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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.*

f. Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

g. Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

h. Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

i. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

j. Estimation uncertainty relating to the global health pandemic

The outbreak of corona virus (COVID-19) pandemic globally and in India has been causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as Financial Asset and Non-Financial Assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

Note 3. Significant Accounting policies

3.1 Property, plant and equipment

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to adopt the fair value of all of its property, plant and equipment as at April 01, 2016 as deemed cost.

Depreciation methods, estimated useful lives and residual value:

Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.

Certain items of PPE has been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

Property Plant & Equipment at	
- Dalmiapuram, Khambalia and Katni works	Straight Line Method
- Head Office	Written Down Value
Leasehold land	Amortised over the period of lease

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

3.2 Intangible assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a) for assets acquired in a business combination, at fair value on the date of acquisition

b) for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

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.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.3 Impairment of Non-financial assets

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-

financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.4 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.5 Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

A lease for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

3.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

3.7 Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets *that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.*

3.8 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

3.9 Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b. Defined contribution plan

Retirement benefits in the form of provident fund , pension scheme and superannuation scheme and ESI are a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.

c. Defined benefit plan

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The Company's Employee Gratuity Fund is managed by Life Insurance Corporation The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.10 Inventories

(a) Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. For the purpose of finished goods valuation, raw material consumption is taken as last 3 months average rate. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the

materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

(b) *Historical cost is determined on the basis of real time weighted average method.*

(c) *Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.*

3.11 Revenue recognition and other income:

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts in respect of exports are fulfilled at the time of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Sale of Goods

Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Sale of Services

Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Other Income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs and the like are accounted for on receipt basis.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

Corporate Guarantee income:

Corporate Guarantee income is as per the terms of arrangement in the normal course of business and settled through receipt.

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.12 Foreign Currency Transactions

- ***Initial recognition***

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- ***Conversion***

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- ***Exchange differences***

  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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.13 Taxes

Tax expense comprises current and deferred 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. 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 balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as 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 liability is disclosed in the notes in case of:

- *There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.*
- *A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation*
- *A present obligation arises from the past event, when no reliable estimate is possible*
- *A present obligation arises from the past event, unless the probability of outflow are remote.*

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.15 Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.16 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

(a) Investment and other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and

• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the *case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.*

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: *Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.*

Fair Value through Other Comprehensive Income (FVOCI): *Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.*

Fair Value through Profit or Loss (FVTPL): *Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.*

Equity investments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets A financial asset is derecognised only when:

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the *financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.*

(v) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(b) Financial Liabilities & Equity

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) Subsequent measurement:

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

Borrowings: *Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.*

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables: *These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.*

Financial guarantee contracts: *Financial guarantee contracts are recognised as a financial liability at the time when guarantee is issued. The liability is initially at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.*

Where guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are expensed out in the Statement of Profit and Loss.

(iv) Derivative financial instruments

The Company uses derivative financial instruments mainly forward currency contracts, to hedge its foreign currency risks. 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.

(v) Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as *other gains / (losses). 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 derecognition 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.*

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instrument

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 realize the assets and settle the liabilities simultaneously.

3.17 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.18 Earning per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.19 Share Based Payments

Equity-settled share based payments to employees and directors providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 34.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.20 Non-current Assets held for sale

Non-current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current Assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statement of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

<u>Non-Current Assets:</u>

4. Property, Plant and Equipment

Tangible and Intangible assets

(₹ in Lakhs)

Particulars	Tangible Assets										Intangible Assets	
	Own Assets						Right-of-use Assets			Total Tangible Assets	Computer software	Total Intangible Assets
	Land (Free Hold)	Buildings	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Land (Lease Hold)	Buildings	Vehicles			
Gross Carrying Amount												
Balance as at 1 April 2019	5,962.11	2902.28	3,942.59	81.63	17.00	6.75	274.60	-	-	13,186.96	7.92	7.92
Additions	-	131.85	275.70	49.84	20.51	-	-	-	147.66	625.56	-	-
Disposals/Adjustment	-	11.00	0.02	-	0.04	-	-	-	-	11.06	-	-
Balance as at 31 March 2020	5,962.11	3,023.13	4,218.27	131.47	37.47	6.75	274.60	-	147.66	13,801.46	7.92	7.92
Additions	-	119.27	79.08	33.62	0.21	-	-	121.10	8.59	361.87	7.94	7.94
Disposals/ Adjustment	-	0.05	19.76	7.01	1.28	-	-	-	22.57	50.67	-	-
Balance as at 31 March 2021	**5,962.11**	**3,142.35**	**4,277.59**	**158.08**	**36.40**	**6.75**	**274.60**	**121.10**	**133.68**	**14,112.66**	**15.86**	**15.86**
Accumulated Depreciation												
Balance as at 1 April 2019	-	579.19	1,945.94	57.20	7.26	3.81	63.36	-	-	2,656.76	7.36	7.36
Depreciation for the year	-	151.31	585.67	20.08	4.34	1.27	21.12	-	32.91	816.70	0.56	0.56
Accumulated depreciation on disposals	-	11.00	0.01	-	0.04	-	-	-	-	11.05	-	-
Balance as at 31 March 2020	-	719.50	2,531.60	77.28	11.56	5.08	84.48	-	32.91	3,462.41	7.92	7.92
Depreciation for the year	-	155.40	402.82	26.46	5.94	1.27	21.12	23.55	41.90	678.46	4.24	4.24
Accumulated depreciation on disposals	-	0.05	17.92	6.94	0.99	-	-	-	8.44	34.34	-	-
Balance as at 31 March 2021	**-**	**874.85**	**2,916.50**	**96.80**	**16.51**	**6.35**	**105.60**	**23.55**	**66.37**	**4,106.53**	**12.16**	**12.16**
Net Carrying Amount												
As at 31 March 2020	5,962.11	2,303.63	1,686.67	54.19	25.91	1.67	190.12	-	114.75	10,339.05	-	-
As at 31 March 2021	5,962.11	2,267.50	1,361.09	61.28	19.89	0.40	169.00	97.55	67.31	10,006.13	3.70	3.70

(₹ in Lakhs)

Note No.		Particulars	As at March 31, 2021	As at March 31, 2020
5	Non- Current Assets: Financial Assets			
	5.1	**Investments**		
	A	Unquoted Investments		
		Investment in Subsidiaries (At Cost)		
		10,200,000 (March 31, 2020: 5,100,000) shares of Dalmia Seven Refractories Limited of ₹ 10 each fully paid up	1,020.00	510.00
		1,825,000 (March 31, 2020: 1,825,000) shares of Dalmia GSB Refractories GmbH of Euro 1 each fully paid up (Refer Note 31)*	1,489.37	1,489.37
		350,211 (March 31, 2020: 350,211) shares of GSB Refractories India Private Limited of ₹ 10 each fully paid up	1,472.63	1,472.63
		Deemed Investment in Dalmia GSB Refractories GmbH (Refer Note 31)**	36.07	200.68
		The list of subsidiaries along with proportion of ownership interest held and country of incorporation are disclosed in Note 41 of Consolidated Financial Statements.		
	B	Quoted Investments		
		Quoted fully paid up Equity Shares of Others (At FVOCI)		
		1,000 shares (March 31, 2020: 1000) shares of Dalmia Bharat Sugar Industries Limited of ₹ 2.00 each	1.86	0.49
		698,952 shares (March 31, 2020: 698,952) shares of Dalmia Bharat Limited of ₹ 2.00 each	11,106.35	3,429.06
			15,126.28	**7,102.23**
		Aggregate amount of Non Current Investments		
		Particulars		
		Aggregate amount of quoted investments	11,108.21	3,429.55
		Market value of quoted investments	11,108.21	3,429.55
		Aggregate amount of unquoted investments	4,018.07	3,672.68

*Shares pledged with bank pursuant to facility of Euro 11 million availed by Dalmia GSB Refractories GmbH
** Amount reduced on account of invoicing of corporate guarantee income from Dalmia Refractories Limited to Dalmia GSB Refractories GmbH

Note No.		Particulars	As at March 31, 2021	As at March 31, 2020
	5.2	**Loans**		
		Advances to Employees		
		- Unsecured & Good	1.00	5.81
		Security Deposit		
		- Unsecured & Good	76.26	75.67
			77.26	**81.48**
6	**Other Non-current Assets**			
		Prepaid expenses	12.32	-
			12.32	**-**
	Current Assets:			
7	**Inventories**			
		Raw materials	2,387.22	2,406.25
		Work - in - progress	352.58	217.85
		Finished goods	2,609.64	2,740.53
		Stock-in-trade	-	-
		Stores and spares	427.95	506.95
		Loose tools	4.71	4.12
		Goods in transit:		
		Raw materials	46.73	290.96
		Stores and spares	-	1.32
			5,828.83	**6,167.98**
8	**Current financial assets**			
	8.1	**Current Investments**		
		Mutual Funds (At FVTPL)		
		HDFC Floating Rate Fund (Units 0; March 31, 2020 : 3276.954)	-	0.33
			-	**0.33**
		Aggregate Book value of quoted investments	-	0.33
		Fair value of quoted investments	-	0.33
	8.2	**Trade Receivables**		
		- Trade Receivable considered good - Secured*	347.85	101.42
		- Trade Receivable considered good - Unsecured	5,480.51	3,813.72
		- Trade Receivables which have significant increase in Credit Risk	-	-
		- Trade Receivables - credit impaired	343.53	146.04
			6,171.89	4,061.18

(₹ in Lakhs)

Note No.		Particulars	As at March 31, 2021	As at March 31, 2020
		Less:- Provision for expected credit loss	(343.53)	(146.04)
			5,828.36	**3,915.14**
		* Secured against Letter of credit		
	8.3	**Cash & Cash Equivalents**		
		Balances with banks		
		- in Current Accounts	340.79	22.85
		Gold coins/ Silver Coins/ Stamps	0.19	4.48
			340.98	**27.33**
	8.4	**Bank Balances**		
		Fixed Deposits (of maturity exceeding three months but upto one year)*	227.30	166.83
		Margin money	2.79	8.67
		Margin Money with bank (including accrued interest)		
		- Earmarked for unpaid dividend	6.95	9.31
		- Earmarked for Debenture and Interest	2.58	2.25
			239.62	**187.06**

* Includes deposits of ₹ 177.30 lakh (31 March 2020 : ₹ 166.83 lakh) pledged with banks for the purpose of DSRA and deposits of ₹ 50.00 lakh (31 March 2020 : Nil) pledged with banks for the purpose of ODFD Facility.

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During FY 2020-21, ₹ 2.05 lakh (PY 2019-20 ₹ 2.42 lakh) on account of unclaimed dividend was credited to the Investor Education and Protection Fund.

Note No.		Particulars	As at March 31, 2021	As at March 31, 2020
	8.5	**Loans**		
		Amount recoverable from employees		
		- Unsecured, considered good	3.55	5.48
			3.55	**5.48**
	8.6	**Others Financial Assets**		
		Unsecured, considered good		
		- Interest receivable	13.05	5.84
		- Corporate Guarantee income receivable	200.73	-
		- Inter corporate deposit (Refer Note 38)	200.00	-
			413.78	**5.84**
9	**Current Tax Assets (net)**			
		Advance income tax (net of provision for tax)	89.60	105.45
			89.60	**105.45**
10	**Other Current Assets**			
		Prepaid expenses	79.12	45.34
		Advance to suppliers	475.59	122.61
		Amount recoverable from others	265.66	189.26
		Balance with statutory authorities	181.65	427.05
			1,002.02	**784.26**
11	**Equity:**			
	11.1	**Share Capital**		
		Authorised		
		5,000,000 Equity Shares of ₹ 10 each	500.00	500.00
		Issued, Subscribed & fully paid up		
		3,152,084 Equity shares of ₹ 10 each	315.21	315.21

(i) Reconciliation of number and amount of equity shares outstanding:

	No. of shares	Amount
As at 1 April 2019	3,152,084	315.21
Movement during the year	-	-
As at 31 March 2020	3,152,084	315.21
Movement during the year	-	-
As at 31 March 2021	**3,152,084**	**315.21**

Rights, restrictions and preferences attached to each class of shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2021		As at March 31, 2020	
Equity shares of ₹ 10 each fully paid	**Number**	**% Holding**	**Number**	**% Holding**
Akhyar Estate Holding Private Limited	1,446,840	45.90%	1,446,840	45.90%
Garvita Solutions Service and Private Limited	349,530	11.09%	349,530	11.09%
Alirox Abrasives Limited	247,187	7.84%	247,187	7.84%
Mahendra Girdharilal Wadhawani	181,067	5.74%	181,067	5.74%

(₹ in Lakhs)

Note No.		Particulars	As at March 31, 2021	As at March 31, 2020
11.2		**Other Equity**		
	a	**Securities Premium Account**		
		Opening and Closing Balance	588.02	588.02
	b	**General Reserve**		
		Opening and Closing Balance	804.82	804.82
	c	**Share Based Payment Reserve**		
		Opening Balance	147.84	46.26
		Employee share-based payment expense	75.89	101.58
		Closing Balance	223.73	147.84
	d	**Retained Earnings**		
		Opening balance	12,507.50	10,849.17
		Add: Net Profit for the year	714.06	1,753.33
		Less: Appropriations		
		Dividend on equity shares	-	(78.80)
		Tax on dividend	-	(16.20)
		Closing Balance	13,221.56	12,507.50
	e	**Other Comprehensive Income**		
		Opening Balance	2,901.76	6,407.49
		Addition during the year (net of tax)	7,579.60	(3,487.82)
		Total Income recognised on Equity instruments (net of tax)	10,481.36	2,919.67
		Actuarial Gain & Losses on DBO (net of tax)	(8.57)	(17.91)
		Closing Balance	10,472.79	2,901.76
		Total	**25,310.92**	**16,949.94**

Nature and Purpose Of Reserves

(a) Securities premium represents the amount received in excess of par value of securities. Securities Premium is utilised in accordance with the Provisions of the Companies Act, 2013.

(b) General Reserve is free reserve created by the Company by transfer from retained earnings.

(c) Share based payments reserve - Amount attributable towards share options granted to an employee of the company has been credited to the reserve.

(d) Equity instruments through other comprehensive income - The Company has elected to recognise changes in the fair value of investment in equity instruments in other comprehensive income. The changes are accumulated with in Fair Value through Other Comprehensive Income equity instruments reserve with in equity. The Company will transfer the amount from this reserve to retained earnings when the relevant equity securities are derecognised.

Non - current liabilities:

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
12	**Financial Liabilities**		
	Lease Liabilities	105.11	88.42
	Financial guarantee obligation	-	138.84
		105.11	**227.26**
13	**Provisions**		
	Provision for employee benefits (Refer Note 33)		
	- Gratuity	47.00	50.68
	- Leave Encashment	43.92	27.96
	Provision against asset retirement obligation*	269.55	262.74
		360.47	**341.38**
	* The movement in provision for asset retirement obligation is as follows:		
	Opening Balance	262.74	258.56
	Unwinding of discount (Refer Note 23)	20.47	20.14
	Payments	(13.66)	(15.96)
	Closing Balance	**269.55**	**262.74**
14	**Deferred Tax Liability**		
	Deferred tax liability		
	On account of Property, Plant & Equipment	1,799.48	1,814.88
	On account of Fair valuation of investment	99.06	-
		1,898.54	**1,814.88**
	Deferred tax assets		
	On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	122.57	28.19
	On account of provision for doubtful debts	86.46	36.76
		209.03	64.95
	Net deferred tax liability	**1,689.51**	**1,749.93**

Movement in deferred tax items	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
FY 20-21				
Deferred tax liability / (asset) on account of				
Difference in Book value of Tangible and Intangible assets	1,814.88	(15.40)	-	1,799.48
Expenses allowed on payment basis	(28.19)	(91.52)	(2.88)	(122.57)
Provision created for bad & Doubtful debts	(36.76)	(49.70)	-	(86.46)
Fair valuation of investment	-	-	99.06	99.06
Net Deferred tax liability / (asset)	1,749.93	(156.62)	96.18	1,689.51
FY 19-20				
Deferred tax liability / (asset) on account of				
Difference in Book value of Tangible and Intangible assets	2,080.69	(265.81)	-	1,814.88
Expenses allowed on payment basis	(33.01)	4.84	(6.03)	(28.19)
Provision created for bad & Doubtful debts	(52.39)	15.63	-	(36.76)
Net Deferred tax liability / (asset)	1,995.29	(245.34)	(6.03)	1,749.93

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
	Current liabilities:		
15	**Financial Liabilities:**		
15.1	**Borrowings**		
	Secured - at amortised cost		
	Loans from banks repayable on demand		
	- Cash Credit	-	3,176.89
	- Bill Discounting	-	306.37
	Unsecured		
	- Inter corporate deposit (Refer Note 35)	2,350.00	-
		2,350.00	**3,483.26**

1 The above borrowings are secured by first pari passu charge on the entire current assets, moveable fixed assets and by equitable mortgage of immovable fixed assets both present and future, (excluding vehicles financed by other banks/FIs).

2. The Cash Credit facility carries interest which varies from 7.90% to 8.60%. Inter company loan carries an interest rate of 8.50%.

15.2	**Trade Payables**		
a	Total outstanding dues of Micro and Small Enterprises (Refer note below)	605.09	286.05
b	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,110.04	4,231.20
	Total	**7,715.13**	**4,517.25**

Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the company is as under:

Particular		
Principal amount due and remaining unpaid	605.09	286.05
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	605.09	**286.05**

15.3	**Other financial liabilities**		
	Unpaid matured debentures and interest	2.58	2.25
	Unpaid Dividend	6.95	9.31
	Payable towards purchase consideration of Investment	16.21	80.20
	Book Overdraft	305.67	-
	Provision for warranty claims	42.92	-
	Financial guarantee obligation	-	25.78
	Lease Liability (Refer Note (i) below)	69.58	31.17
	Interest accrued	92.78	-
	Deferred Employee loan	0.32	0.65
		537.01	**149.36**

Note(i) The following is the movement in lease liabilities during the year :

Opening Balance	119.59	-
Add: Addition during the year	129.69	147.66
Add: Finance cost accrued during the year	17.74	12.02
Less: Payment of lease liabilities	(77.58)	(40.09)
Less: Reversal of lease liabilities	(14.75)	-
Closing Balance	**174.69**	**119.59**

The following is the contractual maturity profile of lease liabilities:

Less than one year	2.97	4.19
One year to five years	171.72	115.40
	174.69	**119.59**

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
16	**Other current liabilities**		
	Advances from Customers	423.41	668.91
	Security deposits from Customers	107.29	223.81
	Statutory Liabilities	70.67	70.70
	Other payables	77.07	85.25
		678.44	**1,048.67**
17	**Provisions**		
	Provision for employee benefits (Refer Note 33)		
	- Leave Encashment	7.33	4.91
	- Gratuity	13.92	31.16
		21.25	**36.07**

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
18	**Revenue from operations**		
	A. Sale of products		
	Refractories	17,337.62	19,713.25
	Calcined Bauxite	9.75	26.01
	Traded goods	4,131.23	7,632.58
		21,478.60	**27,371.84**
	B. Sale of Services	322.75	1,630.34
	C. Other Operating Revenue		
	Scrap Sales	74.86	55.87
		21,876.21	**29,058.05**
	Disaggregated revenue information is disclosed above.		
	Reconciliation of Revenue from operations with contract price:		
	Particulars		
	Contract Price	21,922.99	29,065.78
	Reduction towards variable consideration components*	46.78	7.73
	Revenue from Operations	**21,876.21**	**29,058.05**
	* The reduction towards variable consideration comprises of volume discounts, rebates, etc.		
19	**Other income**		
	Interest income from bank/others	27.57	46.83
	Dividend income	-	28.02
	Provision/liabilities no longer required written back	73.02	55.31
	Provision for expected credit loss written back	-	27.08
	Corporate Guarantee income	169.23	-
	Financial Guarantee income	-	43.30
	Profit on Sale of current investments	0.03	-
	Profit on Sale of an Property plant and equipment	-	0.65
	Foreign Exchange Fluctuations (net)	38.12	42.67
	Other non operating income	237.06	257.20
		545.03	**501.06**
20	**Cost of Materials consumed**		
	Raw Material Consumed	10,319.22	11,646.38
		10,319.22	**11,646.38**
21	**Changes in inventories of finished goods and work - in - progress**		
	Inventories at the beginning of the year		
	Work-in-Progress	217.85	271.70
	Finished Goods	2,740.53	2,134.08
		2,958.38	**2,405.78**
	Less - Inventories at the end of the year		
	Work-in-Progress	352.58	217.85
	Finished Goods	2,609.64	2,740.53
		2,962.22	**2,958.38**
	Changes in inventories of finished goods and work - in - progress	(3.84)	(552.60)
22	**Employee benefits expense**		
	Salaries, wages, Allowances & Commission	2,367.52	2,537.80
	Contribution to Provident & Other funds	108.43	108.56
	Employee share-based payment expense	75.89	101.58
	Gratuity & Pension	55.45	99.57
	Staff welfare expense	119.50	157.87
		2,726.79	**3,005.38**
23	**Finance costs**		
	Interest on Cash Credits	83.65	124.34
	Unwinding Discount	20.47	38.36
	Interest - Others	198.41	101.86
		302.53	**264.56**
24	**Depreciation expense**		
	Depreciation on tangible assets	678.46	816.70
	Amortization of intangible assets	4.24	-
		682.70	**816.70**

(₹ in Lakhs)

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
25	**Other expenses**		
	Consumption of stores & spare parts	177.75	232.21
	Power and fuel	906.88	1,119.91
	Packing, freight & transport	1,143.63	1,101.47
	Commission	55.12	229.65
	Rent	6.27	17.44
	Repairs to buildings	11.96	51.10
	Repairs to machinery	320.49	355.30
	Repairs others	35.80	41.11
	Insurance	3.02	24.69
	Rates and taxes	38.48	64.40
	Payment to the auditors		
	- Statutory Audit fees	11.25	11.25
	- Limited Review fees	11.25	11.25
	- Certification fees	3.30	10.70
	- for reimbursement of expenses	-	1.62
	Advertisement & publicity	10.45	4.21
	Provision for expected credit loss	197.50	-
	Bad Debt written off	15.25	21.07
	Advances written off	0.52	10.52
	Travelling & Conveyance	122.77	320.09
	Donations	0.35	1.42
	Professional & Legal Fees (net of reimbursement of expenses)	208.41	432.28
	Brick Lining Expenses	235.94	1,403.41
	Loss on Sale of Property plant and equipment	4.83	-
	Corporate social responsibility expenses (Refer Note 36)	19.86	6.96
	Miscellaneous expenses	237.27	348.70
		3,778.35	**5,820.76**
26	**Tax expense**		
	Current tax	358.22	690.00
	Deferred tax		
	- Deferred tax credit	(156.62)	(245.34)
		201.60	**444.66**
	Income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	(96.18)	6.03
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	**(96.18)**	**6.03**
	Total income tax expense recognised in profit & loss account	**201.60**	**444.66**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	25.168%	25.168%
	Profit before tax	915.66	2,197.99
	Income tax expense calculated at **25.168%** (including surcharge and education cess)	230.45	553.19
	Effect of income that is not chargeable to tax	0.08	18.06
	Impact of change in tax rate	-	(130.29)
	Effect of expenses that are deductible in determining taxable profit	(61.82)	(25.22)
	Effect of expenses that are non-deductible in determining taxable profit	32.89	28.92
	Total income tax expense recognised in profit & loss account	**201.60**	**444.66**
27	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Actuarial loss on defined benefit obligation	(11.45)	(23.94)
	- Income tax relating to Actuarial loss	2.88	6.03
	- Fair valuation of equity instruments at FVOCI	7,678.66	(3,487.82)
	- Income Tax relating to fair valuation of investments	(99.06)	-
	Total Other Comprehensive Income	**7,571.03**	**(3,505.73)**
28	**Earning per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	714.06	1,753.33
	Add: Share based payment (net of tax)	56.79	76.01
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	770.85	1,829.34
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	3,152,084	3,152,084
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	3,175,491	3,175,491
	Earnings per share of ₹ 10 each		
	Basic	22.65	55.62
	Diluted*	22.65	55.62
	Face value per equity share	10.00	10.00

* As the Diluted Earning per share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share.

29 Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	89.67	-

30 Contingent Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i	Bank Guarantees	1,152.35	1,157.11
ii	Corporate Guarantee (Refer note 39)	8,222.42	8,404.59
iii	Claims against the Group not acknowledged as debt and being contested before the appropriate authorities		
-	Service tax matters	350.47	206.16
-	Sale tax matters	0.43	84.42
-	Other matters	24.01	25.78
-	Provident Fund : 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.	Amount not determinable	Amount not determinable

31 On 5th December 2019, pursuant to a Scheme of Merger under German Laws, GSB Group GmbH, step down subsidiary of Dalmia Refractories Limited (DRL) has merged into its parent Company, Dalmia Refractories Germany GmbH, which is the wholly owned subsidiary of DRL. The name of the new merged entity is "Dalmia GSB Refractories GmbH" ('Dalmia GSB'). DRL continues to hold 100% shareholding of Dalmia GSB.

32 Segment Information

(i) General Disclosure

The Company is primarily in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. Hence, there is only one identified reportable segment as per Ind AS 108 - Operating Segments. The Company's operations are located in India.

The above reportable segment has been identified based on the significant components of the enterprise for which discrete financial information is available and is reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments, predominantly in India.

(ii) Entity-wide disclosure required by IND AS 108 are made as follows:

a) Revenues from external sales and services

(₹ in Lakhs)

Particulars	2020-21	2019-20
India	18,503.68	25,851.76
Outside India	3,372.53	3,206.29
Total Revenue as per statement of profit and loss	21,876.21	29,058.05

b) Segment Assets

All Assets are within India only.

iii) Information about major customers:

There is 1 customer in FY 2020-21 (2 customers in FY 2019-20) where revenue from that customer aggregating to ₹ 2,247.91 lakh (2019-20: ₹ 10,562.60 lakh) exceeds 10 per cent or more from each customer of entity's revenues during the current year.

33 Employee Benefits

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

A. Statement of profit and loss

Net employee benefit expense

(₹ in Lakhs)

Particulars	2020-21		2019-20	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Current Service cost	32.96	5.41	30.72	5.17
Interest Cost	28.66	2.23	30.09	7.32
Expected return on plan asset	(24.69)	-	(26.38)	-
Total Expense	**36.93**	**7.64**	**34.43**	**12.49**

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for Gratuity and Leave Encashment

(₹ in Lakhs)

Particulars	2020-21		2019-20	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Present value of Obligation as at year-end	448.75	51.26	444.93	32.86
Fair value of plan assets	387.83	-	363.09	-
Net Asset/(Liability) recognised in the Balance Sheet*	**(60.92)**	**(51.26)**	**(81.84)**	**(32.86)**

(ii) Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	2020-21		2019-20	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Opening defined benefit obligation	**421.46**	**32.86**	393.32	95.73
Interest cost	**28.66**	**2.23**	30.09	7.32
Current service cost	**32.96**	**5.41**	30.72	5.17
Benefit paid	**(46.50)**	**(1.90)**	(56.09)	(55.60)
Actuarial (gains)/losses on obligation	**12.17**	**12.66**	23.42	(19.76)
Closing defined benefit obligation	**448.75**	**51.26**	421.46	32.86

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Opening fair value of plan assets	363.09	344.80
Expected return on Plan Assets	24.69	26.38
Contribution during the year	45.83	48.52
Amount Receivable from LIC	(46.50)	(25.46)
Actuarial gains / (loss) on plan asset	0.72	(0.52)
Benefits paid	-	(30.63)
Closing fair value of plan assets	387.83	363.09

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Discount rate (%)	6.82%	6.80%
Expected salary increase (%)	7.00%	6.00%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Provident and other funds	108.43	108.56

(vi) Sensitivity analysis of the defined benefit obligation:

(₹ in Lakhs)

Particulars	2020-21		2019-20	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Impact of the change in discount rate				
Impact due to increase of 0.50%	(14.31)	(2.03)	(12.97)	(1.43)
Impact due to decrease of 0.50%	15.35	2.19	13.87	1.55
Impact of the change in salary increase				
Impact due to increase of 0.50%	15.24	2.17	13.91	1.56
Impact due to decrease of 0.50%	(14.35)	(2.03)	(13.13)	(1.45)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

(vii) Other comprehensive income (OCI):

(₹ in Lakhs)

Particulars	2020-21	2019-20
	Gratuity	
Net cumulative unrecognized actuarial (gain)/loss opening	-	-
Actuarial gain/(loss) for the year on PBO	(12.17)	(23.42)
Actuarial gain/(loss) for the year on plan asset	0.72	(0.52)
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(11.45)	(23.94)

34 Share Based Payments

The Company offered equity based awards through the Company's stock option plan introduced during FY 2018-19.

Dalmia Refractories Limited Employee Stock Option Plan 2018

The Company introduced Dalmia Refractories Limited Employee Stock Option Plan 2018 (DRL ESOP), which was approved by the shareholders of the Company to provide equity settled incentive to eligible employees and directors (excluding independent director) of the Company.

The details of share options for the year ended 31st March 2021 is presented below:

Particulars	ESOP 2018
Options as at 1st April, 2020	1,65,000
Options granted during the year	-
Options forfeited during the year	-
Options exercised during the year	-
Options outstanding as at 31st March, 2021	1,65,000

The stock options under the DRL ESOP 2018 were granted on 31st October, 2018. The exercise price of the option is ₹ 150 per share.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed on over the vesting period.

The fair values were calculated using the Black-Scholes European Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the DCF Method at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1.25 years - 4.25 years from the date of respective vesting.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2018
Number of Options	1,65,000
Exercise Price	150
Share Price at the date of grant as per DCF Method calculated by the valuer	281
Vesting Period	1) 10% of the options on completion of 1 year from Grant Date
	2) 20% of the options on completion of 2 year from Grant Date
	3) 30% of the options on completion of 3 years from Grant Date
	4) 40% of the options on completion of 4 years from Grant Date
Annual Volatility	45.91 % - 49.34%
Expected option life	1.25 - 4.25 years
Expected dividends	0.18%
Risk free interest rate	7.59% - 7.75%
Fair value per option granted	1) 149.81 for vesting of shares on completion of 1 year from Grant Date
	2) 164.10 for vesting of shares on completion of 2 years from Grant Date
	3) 176.14 for vesting of shares on completion of 3 years from Grant Date
	4) 187.59 for vesting of shares on completion of 4 years from Grant Date

The Company recognized total expenses of ₹ 75.89 lakh (PY ₹ 101.58 lakh) to the above equity settled share based payment transactions for the year ended 31st March, 2021. Equity Settled employee stock options reserve outstanding with respect to the above scheme as at year end is ₹ 223.73 lakh.

35 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Relationships

i. Subsidiaries of the Company (including step down subsidiaries):

Dalmia Seven Refractories Limited
Dalmia GSB Refractories GmbH (Refer Note 31)
GSB Refractories India Private Limited

ii. Key Managerial Person and Directors

Mr. Sameer Nagpal	Managing Director
Mr. C.N. Maheshwari	Chief Executive Officer (till 24-May-2019)
Mr. Manoj Kumar Rathi	Chief Financial Officer
Ms. Akansha Jain	Company Secretary
Mr. Deepak Thombre	Independent Director
Mr. C. Nagaratnam	Independent Director
Mr. M.K. Doogar	Independent Director (till 31-March-2021)
Ms. Leena Rawal	Non-Executive Director

iii. Shareholder(s) having substantial stake in the Company
Akhyar Estate Holdings Private Limited

iv. Promoters of the Company
Mr J.H. Dalmia and Mr Y.H. Dalmia

v. Trust related to retiral benefit plan
SNCCIL Employees Group Gratuity Scheme
Shri Nataraj Ceramic Executive Superannuation Scheme

vi. Enterprises controlled by the Promoters of the Company with whom transactions have taken place:-
Dalmia Cement (Bharat) Limited, Adhunik Cement Limited, Dalmia Bharat Sugar & Industries Limited, Dalmia DSP Limited, Calcom Cement (India) Limited, Alirox Abrasives Limited, Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited), Shri Chamundeswari Minerals Limited, Dalmia Bharat Limited, Dalmia Bharat Group Foundation, Garvita Solution Services and Holdings Private Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Keshav Power Limited, Shree Nirman Limited, Murli Industries Limited

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

(₹ in Lakhs)

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year 2020-21	For the year 2019-20
Promoter Controlled enterprise	Dalmia Cement (Bharat) Limited	Sale of Goods	2206.80	3832.08
	Murli Industries Limited		1027.46	-
	Dalmia DSP Limited		192.04	170.83
	Calcom Cement (India) Limited		64.57	43.68
	Dalmia Bharat Sugar & Industries Limited		7.32	4.67
	Dalmia Cement (Bharat) Limited	Sale of Services	41.11	441.52
	Murli Industries Limited		12.79	-
	Dalmia Bharat Limited	Dividend received	-	27.96
	Dalmia Bharat Sugar & Industries Limited		-	0.04
	Akhyar Estate Holdings Private Limited	Dividend paid	-	21.70
	Garvita Solution Services and Holdings Private Limited		-	5.24
	Alirox Abrasives Limited		-	3.71
	Himgiri Commercial Limited*		-	0.00
	Valley Agro Industries Limited*		-	0.00
	Keshav Power Limited*		-	0.00
	Shree Nirman Limited*		-	0.00
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)	Purchase of goods & Services	6.69	90.75
	Dalmia Bharat Sugar & Industries Limited		2.14	-
	Alirox Abrasives Limited		40.00	30.00
	Dalmia Cement (Bharat) Limited		1515.30	2335.46
		Loan taken	2600.00	-
		Loan repaid	250.00	-
		Interest on Loan taken	156.61	-
		Reimbursement of expenses paid	1.55	1.64
	Dalmia Bharat Limited		50.52	36.47
	Shri Chamundeswari Minerals Limited		3.11	1.08
	Dalmia Bharat Group Foundation	Corporate social responsibility expenses	19.86	6.96
Subsidiaries	GSB Refractories India Private Limited	Investment	-	412.24
	Dalmia Seven Refractories Limited		510.00	-
		Loan given	200.00	-
		Rent	79.63	81.87
		Sale of Goods & Services	17.25	14.17
		Interest on Loan given	9.80	-
		Purchase of goods & Services	815.50	1,241.94
	Dalmia GSB Refractories GmbH	Corporate Guarantee income	169.23	-
		Expenses incurred on behalf of company	31.50	-
		Financial Guarantee income	-	43.30
		Unwinding discount	-	18.22
Trust related to retiral benefit plan	SNCCIL Employees Group Gratuity Scheme	Contribution	45.83	48.52
	Shri Nataraj Ceramic Executive Superannuation Scheme		60.57	9.11
Key Management Personnel	Mr. Manoj Kumar Rathi - CFO	Salary & Perquisites	78.20	76.88
	Ms. Akansha Jain - CS		6.90	6.59
Directors	Mr. Deepak Thombre	Sitting fees and commission	2.45	2.60
	Mr. C. Nagaratnam		2.45	2.60
	Ms. Leena Rawal		1.00	1.00

* Dividend paid amounting to NIL (FY 2019-20: ₹ 7.5/-)

C. Balances outstanding at year end:

(₹ in Lakhs)

Nature of Relationship	Name of Related Party	Nature of Balances	31-Mar-21	31-Mar-20
Promoter Controlled enterprises	Dalmia Cement (Bharat) Limited	Outstanding balance at year end (Amount Receivable)	1,640.54	284.25
	Murli Industries Limited		430.46	-
	Dalmia DSP Limited		15.90	-
Subsidiary	Dalmia Seven Refractories Limited		409.24	96.97
	Dalmia GSB Refractories GmbH		200.73	-
		Investments	1,525.44	1,690.05
	GSB Refractories India Private Limited		1,472.63	1,472.63
	Dalmia Seven Refractories Limited		1,020.00	510.00
Promoter Controlled enterprises	Dalmia Bharat Sugar Industries Limited		1.86	0.49
	Dalmia Bharat Limited		11,106.35	3,429.06
Trust related to retiral benefit plan	SNCCIL Employees Group Gratuity Scheme	Outstanding balance at year end (Amount Receivable)	84.99	34.00
	Shri Nataraj Ceramic Executive Superannuation Scheme	Outstanding balance at year end (Amount Payable)	8.73	11.65
Subsidiary	Dalmia Seven Refractories Limited	Loan given (including interest)	206.45	-
	Dalmia GSB Refractories GmbH	Corporate Guarantee	-	164.62
Promoter Controlled enterprises	Dalmia Cement (Bharat) Limited	Loan taken (including interest)	2,442.78	-
		Outstanding balance at year end (Amount payable)	2,530.38	876.39
	Dalmia Bharat Limited		24.86	16.33
	Alirox Abrasives Limited		11.01	-
	Shri Chamundeswari Minerals Limited		3.11	-
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)		2.78	12.80
Subsidiary	Dalmia Seven Refractories Limited		227.28	39.47
Directors	Mr. Deepak Thombre	Sitting fees and commission	1.00	-
	Mr. C. Nagaratnam		1.00	-
	Mr. M.K. Doogar		1.00	-

36 Disclosure in respect of Corporate social responsibility expenses

(₹ in Lakhs)

	Particulars	2020-21	2019-20
(I)	Gross amount required to be spent during the year	19.86	6.96
(ii)	Amount spent during the year * :		
	- Construction/acquisition of any asset	-	-
	- On purposes other than above	19.86	6.96
(iii)	Details of excess amount spent of Corporate social responsbility		
	Opening balance	-	-
	Amount required to be spent during the year	19.86	6.96
	Amount spent during the year	(19.86)	(6.96)
	Closing balance	-	-

*includes ₹ 19.86 lakh (March 31, 2020: ₹ 6.96 lakh) paid to a related party (Dalmia Bharat Group Foundation) (Refer note 35).

37 The Company has debited direct expenses relating to bauxite mining to cost of raw materials consumed as under:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Employees Benefit Expenses	219.03	279.86
Cost of Materials consumed	37.32	38.72
Other expenses		
- Rates and taxes	11.65	17.12
- Travelling & Conveyance	11.41	22.85
- Miscellaneous expenses	6.68	8.72
- Rent	4.85	3.03
- Repairs others	4.18	4.36
- Professional & Legal Fees	1.28	2.79
Total	**296.40**	**377.45**

38 Details of loans and advances in nature of loans to subsidiaries as required by Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Lakhs)

Particulars	Company Name	Outstanding amount as at end of FY 2020-21	Maximum amount outstanding during the year	Outstanding amount as at end of FY 2019-20	Maximum amount outstanding during the year
Loans given	Dalmia Seven Refractories Limited	200.00	200.00	-	-

39 Details of Loans Given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

Investments made are given by the Company under respective head.

(₹ in Lakhs)

Particulars	Company Name	31-Mar-21	31-Mar-20
Loans given	Dalmia Seven Refractories Limited	200.00	-
Corporate guarantee given*	Dalmia GSB Refractories GmbH	8,791.29	8,791.29

* The guarantee is given for business purpose.

40 Dividend

The Board of Directors has recommended final dividend of ₹ 1 (10%) per equity share of ₹ 10/- each for the year ended 31st March 2021.

41 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

42 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance 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.

A. Credit Risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. 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 43. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	5,330.82	841.07	3,777.81	283.37
Expected Credit Losses (B)	-	(343.53)	-	(146.04)
Net Carrying Amount (A-B)	**5,330.82**	**497.54**	**3,777.81**	**137.33**

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, 2021 and March 31, 2020 is the carrying amounts as illustrated in note 43.

B. Liquidity Risk :

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and short term loans. The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Table hereunder provides the current ratios of the Company as at the year end:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total current assets	13,748.25	11,198.87
Total current liabilities	11,301.83	9,234.61
Current ratio	**1.22**	**1.21**

The table below summarises the maturity profile of the Company's financial liabilities :

(₹ in Lakhs)

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
As at 31 March 2020				
Borrowings	3,483.26	-	-	3,483.26
Other financial Liabilities	43.38	105.98	227.26	376.62
Trade and other payables	-	4,517.25	-	4,517.25
Total	**3,526.64**	**4,623.23**	**227.26**	**8,377.13**
As at 31 March 2021				
Borrowings	-	2,350.00	-	2,350.00
Other financial Liabilities	358.12	178.89	105.11	642.12
Trade and other payables	-	7,715.13	-	7,715.13
Total	**358.12**	**10,244.02**	**105.11**	**10,707.25**

C. 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. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

(i) 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings obligations in the form of cash credit and buyer's credit carrying floating interest rates.

(₹ in Lakhs)

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2021	2,350.00	-	**2,350.00**
As at March 31, 2020	-	3,483.26	**3,483.26**

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Lakhs)

Sensitivity on variable rate borrowings	Impact on Statement of Profit & Loss	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest rate increase by 0.25%	-	(6.87)
Interest rate decrease by 0.25%	-	6.87

(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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts.

The details of foreign currency exposure is as follows:

(₹ in Lakhs)

Particulars	Foreign Currency (FC)	FY 2020-21 (in lakh)		FY 2019-20 (in lakh)	
Unhedged Foreign Currency*		**In FC**	**In ₹**	**In FC**	**In ₹**
Trade Payables - Purchase of Raw Material	USD	4.04	296.94	11.96	903.22
	Euro	-	-	0.14	11.56
Trade Receivable - Export	USD	9.89	727.76	9.55	720.85
	Euro	0.18	15.17	0.77	64.43
Hedged Foreign Currency					
Trade Payables - Purchase of Raw Material	USD	12.23	899.59	2.91	210.44

* Excluding advances from customers and advances to vendors

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

(₹ in Lakhs)

Particulars	Increase / Decrease in basis points	Impact on Profit & Loss Account	
		For the year ended 31 March 2021	For the year ended 31 March 2020
USD Sensitivity	+ 50 basis points	0.29	(0.12)
	- 50 basis points	(0.29)	0.12
Euro Sensitivity	+ 50 basis points	0.01	0.03
	- 50 basis points	(0.01)	(0.03)

* Holding all other variable constant

Impact of COVID-19

The Company has made detailed assessment of impact of COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same. However, the management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.

43 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial Assets

(₹ in Lakhs)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds	A	Level-1	-	-	0.33	0.33

(₹ in Lakhs)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
2	**Financial assets designated at fair value through other comprehensive income**						
	Non-Current						
	- Investment In Equity shares	B	Level-1	11,108.21	11,108.21	3,429.55	3,429.55
3	**Financial assets designated at amortised cost**	D					
	Non-Current						
a)	Loans			77.26	77.26	81.48	81.48
	Current						
a)	Trade receivables*			5,828.36	5,828.36	3,915.14	3,915.14
b)	Cash & Cash Equivalents*			340.98	340.98	27.33	27.33
c)	Other Bank Balances*			239.62	239.62	187.06	187.06
d)	Loans*			3.55	3.55	5.48	5.48
e)	Other financial assets*			413.78	413.78	5.84	5.84
4	**Investment in subsidiary company**	C		4,018.07	4,018.07	3,672.68	3,672.68
				22,029.83	**22,029.83**	**11,324.89**	**11,324.89**

Financial Liabilities

(₹ in Lakhs)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	D					
	Non-Current						
	- Other financial liability			105.11	105.11	227.26	227.26
	Current						
	- Borrowings			2,350.00	2,350.00	3,483.26	3,483.26
	- Trade payables*			7,715.13	7,715.13	4,517.25	4,517.25
	- Other financial liability*			537.01	537.01	149.36	149.36
				10,707.25	**10,707.25**	**8,377.13**	**8,377.13**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A Company has opted to fair value its mutual fund investment through profit & loss.
B Company has opted to fair value its quoted investments in equity share through OCI.
C Company has opted to value its investments in subsidiaries at cost.
D Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

44 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less 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.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Debt^	2,350.00	3,483.26
Cash & Cash Equivalents	340.98	27.33
Net Debt	2,009.02	3,455.93
Total Equity	25,626.13	17,265.15
Net debt to equity ratio (Gearing Ratio)	0.08	0.20

^ Debt is defined as long-term and short-term borrowings

45 The Board of Directors of Company in their meeting held on 14th November, 2019, approved Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited ('DRL'), GSB Refractories India Private Limited ('GSB India'), Dalmia Bharat Refractories Limited ('DBRL') (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and Dalmia OCL Limited ('DOCL') (formerly known as Dalmia OCL Private Limited/ Ascension Commercio Private Limited) and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013.

Subsequently, on 5th April 2021, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved modification of the aforesaid Scheme. The modification involved removal of the step with regard to transfer of refractory undertaking from DBRL to DOCL. As a result, the name of the Modified Scheme changed to Scheme of Amalgamation of DRL and GSB India with DBRL and their respective shareholders and creditors ('Scheme 2'). Scheme 2 now involves amalgamation of the Company and its subsidiary GSB India with DBRL. The appointed date of the said Scheme 2 is 1st April, 2020.

The Board of Directors of Dalmia Cement (Bharat) Limited ('DCBL') and DBRL in their respective meetings held on 14th November, 2019, approved a Scheme of Arrangement amongst DCBL 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 DCBL to DBRL, by way of slump exchange on a going concern basis. The appointed date of the said Scheme would be 1st April, 2019.

Scheme 1 is pending for final approval from the NCLT, Chennai Bench. With regards to Scheme 2,
• secured and unsecured creditors of the Company and the unsecured creditors of GSB India have approved the Scheme 2 in their respective meetings convened by NCLT on 27th May, 2021
• meeting of the equity shareholders of the Company to consider and approve the said Scheme 2 is scheduled on 3rd June, 2021

Pending approval of the Scheme 2 by the various regulatory authorities and other compliances, the Financial Statements of the Company for the year ended 31st March 2021 have been prepared on going concern basis.

46 The figures for the previous year have been regrouped/ rearranged wherever considered necessary, to make them comparable.

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dalmia Refractories Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (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, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2021, of consolidated profit and other 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31st March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the matter
Revenue recognition	
The accounting policies for revenue recognition are set out in Note 3.13 to the consolidated financial statements. The terms of sales arrangements, including the timing of transfer of control and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements.	We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following: • Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal controls related to sales; • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; • Assessed the relevant disclosures made in the Consolidated financial statements.

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

The Holding 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 consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information identified above, 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 and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, 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 are responsible for assessing the ability of the Group 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 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 are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for Audit of 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 skepticism 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 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 with reference to consolidated 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 ability of the Group 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 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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 of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 financial statements for the year ended 31st March 2021 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 two subsidiaries, whose financial statements / financial information reflect total assets of ₹ 20,125.13 Lakh as at 31st March, 2021, total revenues of ₹ 16,916.69 Lakh and net cash flows amounting to ₹ 1941.38 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(ii) *We draw your attention to the Note no. 44 to the Consolidated Financial Statements, regarding "Scheme of Amalgamation and Arrangement" amongst the Companies (i.e. Dalmia Refractories Limited, GSB Refractories India Private Limited, Dalmia Bharat Refractories Limited) and their respective shareholders and creditors wherein Dalmia Refractories Limited and GSB Refractories India Private Limited will be amalgamated with Dalmia Bharat Refractories Limited on a going concern basis. The appointed date is 1st April 2020. Pending approval of the above scheme by the various regulatory authorities and other Compliances, the Consolidated Financial Statements of the Group for the year ended 31st March, 2021 have been prepared on going* *concern basis. Our opinion is not modified in respect of above matter.*

Report on Other Legal and Regulatory Requirements

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

(a) We have 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 and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors to its directors in accordance with provisions of section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer note 31 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2021 and in case of subsidiary incorporated in India there were no amounts which were required to be transferred to the investor education and protection fund during the year ended 31st March 2021.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 21109859AAAACD6662

Place: Mumbai
Dated: 31st May 2021

“Annexure A” to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Dalmia Refractories Limited (“hereinafter referred to as the Holding Company”) and its subsidiaries incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, which are company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 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 internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiaries, which are company, incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls, 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 and the audit evidence obtained by the other auditor of the subsidiary company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Holding Company, its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 with reference to consolidated 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.*

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding and its subsidiaries which are company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the criteria for internal financial control with reference to consolidated financial statements established by the Group 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No. 101720W/W100355)

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 21109859AAAACD6662

Place: Mumbai
Dated: 31st May 2021

Dalmia Refractories Limited
Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	14,217.08	14,787.44
(b) Capital work - in - progress		202.92	96.70
(c) Goodwill		2,659.83	2,659.83
(d) Other intangible assets	4	3,727.29	4,192.65
(e) Financial assets			
(i) Investments	5.1	11,108.21	3,429.55
(ii) Loans	5.2	87.54	91.76
(f) Other Non-Current assets	6	13.62	2.97
(g) Deferred tax assets (net)	14	271.81	232.47
Total non-current assets		**32,288.30**	**25,493.37**
Current assets			
(a) Inventories	7	8,463.96	8,420.96
(b) Financial assets			
(i) Investments	8.1	-	0.33
(ii) Trade receivables	8.2	9,151.98	7,163.78
(iii) Cash and cash equivalents	8.3	3,410.89	923.42
(iv) Bank balances other than (iii) above	8.4	239.62	187.06
(v) Loans	8.5	5.92	9.35
(vi) Other financial assets	8.6	670.25	577.17
(c) Current tax assets (net)	9	102.31	106.98
(d) Other current assets	10	1,289.23	1,073.66
(e) Assets held for disposal		1.51	-
Total current assets		**23,335.67**	**18,462.71**
Total assets		**55,623.97**	**43,956.08**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share-capital	11.1	315.21	315.21
(b) Other equity	11.2	24,346.08	16,269.03
(c) Equity Attributable to owners of Dalmia Refractories Limited		24,661.29	16,584.24
(d) Non Controlling Interests		585.55	115.88
Total equity		**25,246.84**	**16,700.12**
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(I) Borrowings	12.1	9,493.45	9,779.26
(ii) Other Financial Liabilities	12.2	145.71	165.09
(b) Provisions	13	401.54	373.82
(c) Deferred tax liabilities (net)	14	1,736.97	1,793.37
Total non-current liabilities		**11,777.67**	**12,111.54**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	3,923.74	4,809.66
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15.2	961.98	527.63
(b) Total outstanding dues of other than Micro and Small Enterprises	15.2	10,163.08	6,527.94
(iii) Other financial liabilities	15.3	1,454.32	1,148.53
(b) Current tax liability (net)	16	633.39	411.91
(c) Other current liabilities	17	1,440.23	1,681.77
(d) Provisions	18	22.72	36.98
Total current liabilities		**18,599.46**	**15,144.42**
Total Equity & Liabilities		**55,623.97**	**43,956.08**

See accompanying notes to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Consolidated Profit and Loss Statement for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	19	39,468.12	45,010.42
II	Other income	20	262.83	337.84
III	**Total income (I + II)**		**39,730.95**	**45,348.26**
IV	Expenses			
	Cost of materials consumed	21	21,333.47	21,747.39
	Purchase of stock-in-trade		3,729.27	5,239.36
	Changes in inventories of finished goods and work-in-progress	22	(306.34)	(559.63)
	Employee benefits expenses	23	5,306.44	5,577.17
	Finance costs	24	929.01	841.99
	Depreciation and amortization expense	25	1,592.22	1,778.05
	Other expenses	26	6,010.58	8,374.08
	Total expenses		**38,594.65**	**42,998.41**
V	Profit for the year before tax (III-IV)		1,136.30	2,349.85
VI	Tax expense	27		
	(1) Current tax		665.58	1,061.63
	(2) Deferred tax		(195.00)	(325.33)
	(3) Tax for Earlier Years		0.51	-
			471.09	**736.30**
VII	Net Profit for the year after tax (V - VI)		**665.21**	**1,613.55**
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss	28		
	Fair Value of Equity Instruments		7,678.66	(3,487.82)
	Re-measurement of defined benefit plans		(5.60)	(14.58)
	Income tax relating to items that will not be reclassified to profit or loss		(97.67)	3.69
	Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statements of foreign operations		(260.36)	(655.45)
			7,315.03	**(4,154.16)**
IX	Total comprehensive income for the year (VII + VIII)		**7,980.24**	**(2,540.61)**
X	**Net Profit / (Loss) Attributable to**			
	a) Owners of the Company		686.14	1,780.16
	b) Non Controlling Interest		(20.93)	(166.61)
XI	**Other Comprehensive Income Attributable to**			
	a) Owners of the Company		7,314.43	(4,154.63)
	b) Non Controlling Interest		0.60	0.47
XII	**Total Comprehensive Income Attributable to**			
	a) Owners of the Company		8,000.57	(2,374.47)
	b) Non Controlling Interest		(20.33)	(166.14)
XIII	Earnings per equity share	29		
	Nominal value of equity shares (₹ 10.00 each)			
	(1) Basic		21.77	56.48
	(2) Diluted		21.77	56.48

See accompanying notes to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	1,136.30	2,349.85
	Adjustments:		
	Depreciation & Amortization Expense	1,592.22	1,778.05
	Provision no longer required written back	(68.40)	(55.31)
	Provision for expected credit loss	201.19	58.50
	Bad Debts written off	21.16	29.70
	Advances written off	0.52	10.52
	Dividend Income	-	(28.02)
	Finance Cost	929.01	841.99
	Interest Income	(24.03)	(50.35)
	Profit on sale of Current Investments	(0.03)	-
	Loss/ (Profit) on disposal of Property, Plant & Equipment	4.83	(0.65)
	Operating Profit before working Capital Changes	**3,792.77**	**4,934.28**
	Adjustments for working Capital changes:		
	Inventories	(43.00)	(943.77)
	Trade and Other Payables	4,367.19	(2,238.93)
	Trade and Other Receivables	(2,500.20)	(643.35)
	Cash Generated from Operations	**5,616.76**	**1,108.23**
	Net Direct Taxes Paid	340.17	873.40
	Net Cash from Operating activities	**5,276.59**	**234.83**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment and CWIP	(466.91)	(984.53)
	Sale proceeds of Property, Plant & Equipment	0.13	0.65
	Payment on account of Acquisition of subsidiaries	(364.07)	(1,660.53)
	Sale of Current Investments (net)	0.36	-
	Margin Money/ Fixed Deposits with banks	(52.56)	(13.15)
	Interest Received	24.03	50.32
	Dividend Received	-	28.02
	Net Cash used in Investing Activities	**(859.02)**	**(2,579.22)**
C	**Cash Flow from Financing Activities**		
	(Repayment of)/ Proceeds from Short term Borrowings (net)	(885.92)	961.63
	Repayment of Long term Borrowings	(141.73)	-
	Proceeds from Long term Borrowings	-	172.45
	Finance Cost	(705.25)	(821.85)
	Lease Liability paid	(194.84)	(35.24)
	Dividends Paid (including tax on dividend)	(2.36)	(95.76)
	Net cash (used in)/ from financing activities	**(1,930.10)**	**181.23**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**2,487.47**	**(2,163.16)**
	Cash and cash equivalents (Opening Balance)	923.42	3,086.58
	Cash and cash equivalents (Closing Balance)	3,410.89	923.42
	Change in Cash & Cash Equivalents	**2,487.47**	**(2,163.16)**

(₹ in Lakhs)

Components of Cash & Cash Equivalents	As At March 31, 2021	As At March 31, 2020
Balances with banks		
- in Current Accounts	3,208.30	918.60
Cheques on hand	12.33	-
Cash in hand	0.07	0.33
Gold coins/ Silver Coins/ Stamps	0.19	4.49
Deposits with original maturity of less than 3 months	190.00	-
Net Cash & Cash Equivalents	**3,410.89**	**923.42**

Changes in Liabilities arising from Financing Activities *(₹ in Lakhs)*

Particulars	As at April 01, 2020	Cash Flows	Non cash	As at March 31, 2021
Borrowings - Non Current (including current maturities) (Refer Note 12.1)	10,152.13	(141.73)	-	10,010.40
Borrowings - Current (Refer Note 15.1)	4,809.66	(885.92	-	3,923.74

(₹ in Lakhs)

Particulars	As at April 01, 2019	Cash Flows	Non cash	As at March 31, 2020
Borrowings - Non Current (including current maturities) (Refer Note 12.1)	9,979.68	172.45	-	10,152.13
Borrowings - Current (Refer Note 15.1)	3,848.03	961.63	-	4,809.66

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia Refractories Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(a) Equity Share Capital

(₹ in Lakhs)

Balance of Equity Share Capital	**As at 1 April 2019**	**Changes during the year**	**As at 31 March 2020**	**Changes during the year**	**As at 31 March 2021**
	315.21	-	315.21	-	315.21

(b) Other equity

(₹ in Lakhs)

Particulars	**Reserves and Surplus**					**Items of other comprehensive income**		**Total**
	Securities Premium	**General Reserve**	**Share Based Payments Reserve**	**Foreign Currency Translation Reserve**	**Retained earnings**	**Equity instruments through other comprehensive income**	**Actuarial Gain & Losses on DBO (net of tax)**	
As at 1 April 2019	**588.02**	**804.82**	**46.26**	**362.46**	**10,427.09**	**6,422.74**	**(14.94)**	**18,636.45**
Movement during FY 19-20								
Profit of the year	-	-	-	-	1,780.16	-	-	1,780.16
Other comprehensive income	-	-	-	-	-	(3,487.82)	(10.89)	(3,498.71)
Dividend	-	-	-	-	(78.80)	-	-	(78.80)
Tax on Dividend	-	-	-	-	(16.20)	-	-	(16.20)
Foreign Currency Translation Reserve	-	-	-	(655.45)	-	-	-	(655.45)
Employee share-based payment expense	-	-	101.58	-	-	-	-	101.58
As at 31 March 2020	**588.02**	**804.82**	**147.84**	**(292.99)**	**12,112.25**	**2,934.92**	**(25.83)**	**16,269.03**
Movement During FY 20-21								
Profit of the year	-	-	-	-	686.14	-	-	686.14
Other comprehensive income	-	-	-	-	-	7,579.60	(4.21)	7,575.39
Dividend	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	(260.36)	-	-	-	(260.36)
Employee share-based payment expense	-	-	75.89	-	-	-	-	75.89
As at 31 March 2021	**588.02**	**804.82**	**223.73**	**(553.35)**	**12,798.39**	**10,514.52**	**(30.04)**	**24,346.08**

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

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Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Note 1. Corporate Information

The consolidated financial statements comprise financial statements of Dalmia Refractories Limited ("the parent company") and its subsidiaries namely, Dalmia Seven Refractories Limited, GSB Refractories India Private Limited and Dalmia GSB Refractories GmbH (collectively, "the Group") for the year ended 31st March, 2021.

The Group is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables, pre-cast shapes like lances, snorkels, other refractory products and supplying to Core Industries namely Cement, steel and others. It is having manufacturing Units at Dalmiapuram (Tamil Nadu), Khambalia (Gujarat), Katni (Madhya Pradesh), Bhilai (Chattisgarh) and Bochum (Germany) and its corporate office is situated at New Delhi. The Securities of the Parent Company are listed at Calcutta Stock Exchange and Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.).

The registered office of the Parent Company is located at Dalmiapuram, P.O. Kallakudi - 621 651, Dist. Tiruchirapalli, Tamil Nadu.

These consolidated financial statements of the Group for the year ended 31st March 2021 were approved and adopted by board of directors of the Parent Company in their meeting held 31st May 2021.

Note 2. Significant accounting policies and critical accounting estimate and judgments

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2021. 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and 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 during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

Consolidation procedure:

(a) 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 subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) Consolidated statement of profit or loss and each component of 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.

(e) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity 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.

(f) Consolidated 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 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

(g) Consolidated statement of profit and loss and each component of 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.

(h) For the acquisition of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain financial assets and liabilities, and equity settled share based payments which have been measured at fair value/amortised cost.

Functional and presentation currency

The consolidated financial statements are presented in 'Indian Rupees', which is also the Parent Company functional currency. Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates are presented in Indian Rupees which is also the Parent Company functional currency. All amounts are rounded to the nearest lakh, unless otherwise stated. The functional currency for all the entities in the Group is Indian Rupees except following subsidiary:-

a) Dalmia GSB Refractories GmbH - Euro

In case of all foreign companies, translation of financial statements to the presentation currency is done for assets and liabilities using the exchange rate in effect at the balance sheet date, and for revenue, expenses and cash flow items using the average exchange rate for the reported period. Profit/(loss) resulting from such transactions are included in foreign currency translation reserve under other component of equity

Current vis-à-vis non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance *with Schedule III, Division II of Companies Act, 2013 notified by MCA.*

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) 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 classified as current when it is:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

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 on the measurement date. The Group uses valuation techniques that are appropriate in the circumstances 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.*

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

'The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. 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.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted *market price in activate markets, their fair value is measures using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.*

d. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

e. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group assesses at each reporting date whether there is an indication that a Non-financial 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 which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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.

f. Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

g. Income Tax:

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

h. Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

i. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

j. Estimation uncertainty relating to the global health pandemic

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as Financial Asset and Non-Financial Assets, the Group has considered internal and external information. The Group has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Group expects to recover the carrying amount of all the assets.

Note 3. Significant Accounting policies

3.1 Business Combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. 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, except certain assets and liabilities required to be measured as per the applicable standard. For this purpose, the liabilities assumed include contingent liabilities representing 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.

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 other comprehensive income 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 other comprehensive income.

After initial recognition, goodwill is measured at cost less any 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 consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.2 Share Based Payments

Equity-settled share based payments to employees and directors providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 35.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Parent Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.3 Property, plant and equipment

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss *during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.*

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:
On transition to Ind AS, the Group has elected to adopt the fair value of all of its property, plant and equipment as deemed cost.

Depreciation methods, estimated useful lives and residual value:
Depreciation on Property, Plant and Equipment (PPE) and is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.

Certain items of PPE has been considered as countinous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

Property Plant & Equipment at	
- Dalmiapuram, Khambalia, Katni, Bhilai and Bochum works	Straight Line Method
- Head Office	Written Down Value
Leasehold land	Amortised over the period of lease

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

3.4 Intangible assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. for assets acquired in a business combination i.e. Customer Contract, Customer Relationship, Technology at fair value on the date of acquisition

b. for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. Customer Contract, Customer Relationship and Technology are ammortised over 6 months, 10 years and 10 years respectively by the straight line method. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

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.

Transition to Ind AS:
On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.5 Impairment of Non-financial assets

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.6 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.7 Leases

The Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

A lease for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

3.8 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

3.9 Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.10 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

3.11 Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. *Short-term employee benefits*

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b. *Defined contribution plan*

Retirement benefits in the form of provident fund , pension scheme and superannuation scheme and ESI are a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.

c. *Defined benefit plan*

The Group's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund.The Group's Employee Gratuity Fund is managed by Life Insurance Corporation The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.12 Inventories

a. Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. For the purpose of finished goods valuation, raw material consumption is taken as last 3 months *average rate. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.*

b. *Historical cost is determined on the basis of real time weighted average method.*

c. *Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.*

3.13 Revenue recognition and other income:

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The performance obligations in our contracts in respect of exports are fulfilled at the time of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Sale of Goods

Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Sale of Services

Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Other Income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.

<u>Interest Income:</u>

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

<u>Dividend Income:</u>

Dividend Income is recognised when the right to receive the payment is established.

<u>Corporate Guarantee income:</u>

Corporate Guarantee income is as per the terms of arrangement in the normal course of business and settled through receipt.

Contract Balances

<u>Trade Receivables</u>

A receivable represents the Group's right to an amount of consideration that is unconditional.

<u>Contract Liabilities</u>

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.14 Foreign Currency Transactions

- ***Initial recognition***
  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- ***Conversion***
  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- ***Exchange differences***
  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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.15 Taxes

Tax expense comprises current and deferred 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. 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 balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.16 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, *the increase in the provision due to the passage of time is recognized as finance cost.*

Mines reclamation liability

The Group records a provision for mines reclamation cost until the closure of mine. Mines reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

Contingent liability is disclosed in the notes in case of:

- *There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.*
- *A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.*
- *A present obligation arises from the past event, when no reliable estimate is possible.*
- *A present obligation arises from the past event, unless the probability of outflow are remote.*

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.17 Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group's cash management.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

(a) Investment and other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and

• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures financial assets at its fair value plus, in the *case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: *Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.*

Fair Value through Other Comprehensive Income (FVOCI): *Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.*

Fair Value through Profit or Loss (FVTPL): *Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.*

Equity investments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

• The Group has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not *retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.*

(v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(b) Financial Liabilities & Equity

(i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) Subsequent measurement:

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

Borrowings: *Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.*

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables: *These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.*

Financial guarantee contracts: *Financial guarantee contracts are recognised as a financial liability at the time when guarantee is issued. The liability is initially at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.*

(iv) Derivative financial instruments

The Company uses derivative financial instruments mainly forward currency contracts, to hedge its foreign currency risks. 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.

(v) Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). 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 derecognition 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.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instrument

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 realize the assets and settle the liabilities simultaneously.

3.19 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.20 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.21 Non-current Assets held for sale

Non-current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current Assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statement of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

Non-Current Assets:

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Tangible Assets										Intangible Assets				
	Own Assets						Right-of-use Assets			Total Tangible Assets	Computer software	Customer Contract	Customer Relationship	Technology	Total Intangible Assets
	Land (Free Hold)	Buildings	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Land (Lease Hold)	Buildings	Vehicles						
Gross Carrying Amount															
Balance as at 1 April 2019	6,541.54	4,248.59	4,650.25	161.60	20.12	20.70	382.47	-	-	16,025.27	12.22	239.34	3,909.24	877.59	5,038.39
Additions	-	262.04	1,778.57	117.67	41.51	-	-	-	448.58	2,648.37	6.20	-	-	-	6.20
Disposals/Adjustment	-	11.00	0.02	-	0.04	-	-	-	-	11.06	-	-	-	-	-
Balance as at 31 March 2020	6,541.54	4,499.63	6,428.80	279.27	61.59	20.70	382.47	-	448.58	18,662.58	18.42	239.34	3,909.24	877.59	5,044.59
Additions	-	119.27	223.09	60.32	0.35	-	-	121.10	39.09	563.22	19.42	-	-	-	19.42
Disposals/Adjustment	-	0.05	19.76	7.01	1.28	-	-	-	23.94	52.04	-	-	-	-	-
Balance as at 31 March 2021	**6,541.54**	**4,618.85**	**6,632.13**	**332.58**	**60.66**	**20.70**	**382.47**	**121.10**	**463.73**	**19,173.76**	**37.84**	**239.34**	**3,909.24**	**877.59**	**5,064.01**
Accumulated Depreciation															
Balance as at 1 April 2019	-	589.67	1,961.40	62.83	7.38	4.34	86.13	-	-	2,711.75	8.46	120.22	97.73	21.94	248.35
Depreciation for the year	-	195.85	731.82	45.56	6.27	3.42	43.00	-	148.54	1,174.46	5.79	119.12	390.92	87.76	603.59
Accumulated depreciation on disposals	-	11.00	0.02	-	0.04	-	-	-	-	11.06	-	-	-	-	-
Balance as at 31 March 2020	-	774.52	2,693.20	108.39	13.61	7.76	129.13	-	148.54	3,875.15	14.25	239.34	488.65	109.70	851.94
Depreciation for the year	-	204.42	609.79	57.99	8.41	3.43	43.65	23.55	156.20	1,107.44	6.09	-	390.92	87.76	484.78
Accumulated depreciation on disposals	-	0.05	17.92	6.94	0.99	-	-	-	-	25.90	-	-	-	-	-
Balance as at 31 March 2021	**-**	**978.89**	**3,285.07**	**159.44**	**21.03**	**11.19**	**172.78**	**23.55**	**304.74**	**4,956.68**	**20.34**	**239.34**	**879.58**	**197.46**	**1,336.72**
Net Carrying Amount															
As at 31 March 2020	6,541.54	3,725.11	3,735.60	170.88	47.98	12.94	253.34	-	300.04	14,787.42	4.17	-	3,420.59	767.89	4,192.65
As at 31 March 2021	6,541.54	3,639.96	3,347.06	173.15	39.63	9.51	209.69	97.55	158.99	14,217.08	17.49	-	3,029.67	680.13	3,727.29

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Non- Current Assets: Financial Assets**		
5.1	**Investments**		
	Quoted Investments		
	Quoted fully paid up Equity Shares of Others (At FVOCI)		
	1,000 shares (March 31, 2020: 1000) shares of Dalmia Bharat Sugar Industries Limited of ₹ 2.00 each	1.86	0.49
	698,952 shares (March 31, 2020: 698,952) shares of Dalmia Bharat Limited of ₹ 2.00 each	11,106.35	3,429.06
		11,108.21	**3,429.55**
	Aggregate amount of Non Current Investments		
	Particulars		
	Aggregate amount of quoted investments	11,108.21	3,429.55
	Market value of quoted investments	11,108.21	3,429.55
5.2	**Loans**		
	Advances to Employees		
	- Unsecured & Good	1.00	5.81
	Security Deposit		
	- Unsecured & Good	86.54	85.95
		87.54	**91.76**
6	**Other non-current assets**		
	Prepaid expenses	13.62	2.97
		13.62	**2.97**
	Current Assets:		
7	**Inventories**		
	Raw materials	3,978.71	3,921.99
	Work - in - progress	543.38	379.91
	Finished goods	3,384.55	3,241.68
	Stores and spares	505.23	580.14
	Loose tools	5.36	4.96
	Goods in transit:		
	Raw materials	46.73	290.96
	Stores and spares	-	1.32
		8,463.96	**8,420.96**
8	**Current financial assets**		
8.1	**Current Investments**		
	Mutual Funds (At FVTPL)		
	HDFC Floating Rate Fund (Units 0; March 31, 2020 :3276.954)	-	0.33
		-	**0.33**
	Aggregate Book value of quoted investments	-	0.33
	Fair value of quoted investments	-	0.33
8.2	**Trade Receivables**		
	- Trade Receivable considered good - Secured*	654.93	101.42
	- Trade Receivable considered good - Unsecured	8,497.05	7,062.36
	- Trade Receivables which have significant increase in Credit Risk	-	-
	- Trade Receivables - credit impaired	408.70	237.67
		9,560.68	7,401.45
	Less:- Provision for expected credit loss	(408.70)	(237.67)
		9,151.98	**7,163.78**
	*Secured against Letter of credit		
8.3	**Cash & Cash Equivalents**		
	Balances with banks		
	- in Current Accounts	3,208.30	918.60
	Cheques on hand	12.33	-
	Cash in Hand	0.07	0.33
	Gold coins/ Silver Coins/ Stamps	0.19	4.49
	Deposits with maturity of less than three months	190.00	-
		3,410.89	**923.42**
8.4	**Bank Balances**		
	Fixed Deposits (of maturity exceeding three months but upto one year)*	227.30	166.83
	Margin money	2.79	8.67
	Margin Money with bank (including accrued interest)		
	- Earmarked for unpaid dividend	6.95	9.31
	- Earmarked for Debenture and Interest	2.58	2.25
		239.62	**187.06**

*Includes deposits of ₹ 177.30 lakh (31 March 2020 : ₹ 166.83 lakh) pledged with banks for the purpose of DSRA and deposits of ₹ 50.00 lakh (31 March 2020 : Nil) pledged with banks for the purpose of ODFD Facility.
There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During FY 2020-21, ₹ 2.05 lakh (PY 2019-20 ₹ 2.42 lakh) on account of unclaimed dividend was credited to the Investor Education and Protection Fund.

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
8.5	**Loans**		
	Amount recoverable from employees		
	- Unsecured, considered good	5.92	9.35
		5.92	**9.35**
8.6	**Others Financial Assets**		
	Unsecured, considered good		
	- Interest receivable	4.07	5.84
	- Earnest money deposit	5.00	5.00
	- Unbilled revenue	661.18	566.33
		670.25	**577.17**
9	**Current Tax Assets (net)**		
	Advance income tax (net of provision for tax)	102.31	106.98
		102.31	**106.98**
10	**Other Current Assets**		
	Prepaid expenses	84.88	49.50
	Balance with statutory authorities	369.41	667.72
	Advance to suppliers	503.19	131.02
	Amount recoverable from others	294.63	194.08
	Subsidy receivable	-	7.81
	Other Receivables	37.12	23.53
		1,289.23	**1,073.66**
11	**Equity:**		
11.1	**Share Capital**		
	Authorised		
	5,000,000 Equity Shares of ₹ 10 each	500.00	500.00
	Issued, Subscribed & fully paid up		
	3,152,084 Equity shares of ₹ 10 each	315.21	315.21

(i) Reconciliation of number and amount of equity shares outstanding:

	No. of shares	Amount
As at 1 April 2019	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2020	31,52,084	315.21
Movement during the year	-	-
As at 31 March 2021	**31,52,084**	**315.21**

Rights, restrictions and preferences attached to each class of shares

The Group has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Group, the holder of equity shares will be entitled to receive the assets of the Group. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the parent company

	As at March 31, 2021		As at March 31, 2020	
Equity shares of ₹ 10 each fully paid	**Number**	**% Holding**	**Number**	**% Holding**
Akhyar Estate Holding Private Limited	1,446,840	45.90%	1,446,840	45.90%
Garvita Solutions Service and Private Limited	349,530	11.09%	349,530	11.09%
Alirox Abrasives Limited	247,187	7.84%	247,187	7.84%
Mahendra Girdharilal Wadhawani	181,067	5.74%	181,067	5.74%

11.2 Other Equity

		As at March 31, 2021	As at March 31, 2020
a	**Securities Premium Account**		
	Opening and Closing Balance	588.02	588.02
b	**General Reserve**		
	Opening and Closing Balance	804.82	804.82
c	**Share Based Payment Reserve**		
	Opening Balance	147.84	46.26
	Employee share-based payment expense	75.89	101.58
	Closing Balance	223.73	147.84
d	**Foreign currency Translation Reserve**		
	Opening Balance	(292.99)	362.46
	Currency translation adjustments	(260.36)	(655.45)
	Closing Balance	(553.35)	(292.99)
e	**Retained Earnings**		
	Opening balance	12,112.25	10,427.09
	Add: Net Profit for the year	686.14	1,780.16
	Less: Appropriations		
	Dividend on equity shares	-	(78.80)
	Tax on dividend	-	(16.20)
	Closing Balance	12,798.39	12,112.25

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
f	**Other Comprehensive Income**		
	Opening Balance	2,909.09	6,407.80
	Addition during the year	7,579.60	(3,487.82)
	Total Income recognised on Equity instruments	10,488.69	2,919.98
	Actuarial Gain & Losses on DBO (net of tax)	(4.21)	(10.89)
	Closing Balance	10,484.48	2,909.09
	Total	**24,346.08**	**16,269.03**

Nature and Purpose of Reserves

(a) Securities premium represents the amount received in excess of par value of securities. Securities Premium is utilised in accordance with the Provisions of the Companies Act, 2013.

(b) General Reserve is free reserve created by the Group by transfer from retained earnings.

(c) Share based payments reserve - Amount attributable towards share options granted to an employee of the Group has been credited to the reserve.

(d) Equity instruments through other comprehensive income - The Group has elected to recognise changes in the fair value of investment in equity instruments in other comprehensive income. The changes are accumulated with in Fair Value through Other Comprehensive Income equity instruments reserve with in equity. The Group will transfer the amount from this reserve to retained earnings when the relevant equity securities are derecognised.

(e) Foreign Currency Translation Reserve - Exchange differences arising on translating of the foreign operations as described in accounting policy are accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment in foreign subsidiaries are disposed off.

Non - current liabilities:

12 Financial Liabilities

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
12.1	**Borrowings**		
	Secured at amortised cost		
	Loans from banks		
	- term loans	9,493.45	9,779.26
		9,493.45	**9,779.26**

a Loan of ₹ 8,222.42 lakh (31-March-2020: ₹ 8,404.59 lakh) as shown in long-term borrowings and current maturities of long term debt is secured by equitable mortgage of Factory Land and Building at Dalmiapuram, Khambalia, Katni and Bochum units of the Group. Also secured by first pari-passu charge over moveable fixed assets and hypothecation of Stocks and other current assets. No current assets belonging to Bochum unit are hypothecated for the purpose of this loan.
The interest rate for the said Term Loans is 2.93% and effective interest rate is 3.75%. The term loan has to be repaid in quarterly instalments. It is secured by 100% of the shares of DRLs investment in Dalmia GSB.

b Loan of ₹ 1,787.98 lakh (31-March-2020: ₹ 1,747.54 lakh) as shown in long-term borrowings and current maturities of long term debt is secured by equitable mortgage of factory land at Katni and plant & machinery. It is further secured by first charge over movable and immovable fixed assets of Dalmia Seven Refractories Limited. It is repayable in quarterly instalment ranging from ₹ 21.25 lakh to ₹ 127.50 lakh starting from October 09, 2020 after a monotorium period of two years. It carried interest rate of one year MCLR plus spread of 70 bps p.a. to be reset annually. The interest rate for the current year varied from 9.10% to 9.40%.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
12.2	**Other Financial Liabilities**		
	Lease liability	145.71	165.09
		145.71	**165.09**
13	**Provisions**		
	Provision for employee benefits (Refer Note 34)		
	- Gratuity	79.42	80.65
	- Leave Encashment	52.57	30.43
	Provision against asset retiring obligation*	269.55	262.74
		401.54	**373.82**

* The movement in provision for asset retirement obligation is as follows:

		As at March 31, 2021	As at March 31, 2020
	Opening Balance	262.74	258.56
	Unwinding of discount (Refer Note 24)	20.47	20.14
	Payments	(13.66)	(15.96)
	Closing Balance	**269.55**	**262.74**
14	**Deferred Tax Liability**		
	Deferred tax liability		
	On account of Property, Plant & Equipment	1,887.60	1,878.34
	On account of Fair valuation of investment	99.06	-
	Income not allowed for tax purpose	47.46	40.79
		2,034.12	**1,919.13**
	Deferred tax assets		
	On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	125.12	147.28
	On account of provision for doubtful debts	110.38	44.20
	On account of unabsorbed depreciation & business losses	333.46	166.75
		568.96	358.23
	Net deferred tax liability	**1,465.16**	**1,560.90**

Movement in deferred tax items	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
FY 20-21				
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	1,878.34	9.26	-	1,887.60
Expenses allowed on payment basis	(147.28)	21.96	(1.39)	(125.12)
Provision created for bad & Doubtful debts	(44.20)	(66.18)	-	(110.38)
Fair valuation of investment	-	-	99.06	99.06
Income not allowed for tax purpose	40.79	6.67	-	47.46
Recognition of DTA on business losses and accumulated depreciation	(166.75)	(166.71)	-	(333.46)
Net Deferred tax liability / (asset)	1,560.90	(195.00)	97.67	1,465.16
FY 19-20				
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	2,089.91	(212.85)	-	1,878.34
Expenses allowed on payment basis	(154.41)	3.44	3.69	(147.28)
Provision created for bad & Doubtful debts	(52.39)	8.19	-	(44.20)
Income not allowed for tax purpose	29.48	11.31	-	40.79
Recognition of DTA on business losses and accumulated depreciation	(31.33)	(135.42)	-	(166.75)
Net Deferred tax liability / (asset)	1,881.26	(325.33)	3.69	1,560.90

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
Current liabilities:			
15	**Financial Liabilities:**		
15.1	**Borrowings**		
	Secured - at amortised cost		
	Loans from banks repayable on demand		
	- Cash Credit	515.56	3,467.96
	- for factoring of Trade receivables	1,058.18	1,035.33
	- Bill Discounting	-	306.37
	Unsecured		
	- Inter corporate deposit	2,350.00	-
		3,923.74	**4,809.66**

a The borrowings amounting to NIL (31-March-2020: ₹ 3,176.89 lakh) of Parent Company are secured by first pari passu charge on the entire current assets, moveable fixed assets and by equitable mortgage of immovable fixed assets both present and future, (excluding vehicles financed by other banks/FIs).

b The borrowings amounting to ₹ 515.56 lakh (31-March-2020: ₹ 291.07 lakh) of Dalmia Seven Refractories Limited are secured by hypothecation of stocks of raw material, semi finished goods, finished goods, stores and spares, book debts and moveable assets of Dalmia Seven Refractories Limited.

c The borrowings amounting to ₹ 2,350 lakh of Parent Company has been taken from Dalmia Cement Bharat Limited and is unsecured.

d The Cash Credit facility and Bill Discounting of the Parent Company carries interest which varies from 7.90% to 8.60%.

e The Cash Credit facility of GSB Refractories India Private Limited carries interest which varies from 8.75% to 8.75%.

f The Cash Credit facility of Dalmia Seven Refractories Limited carries interest which varies from 8.30% to 9.55%.

g Dalmia GSB Refractories GmbH has taken the factoring facility against trade receivables. These factoring are in the nature of recourse and company is liable to pay in case of default from Trade receivables. It carries interest rate of 2.47%.

15.2	**Trade Payables**		
a	Total outstanding dues of Micro and Small Enterprises (Refer note below)	961.98	527.63
b	Total outstanding dues of other than Micro Enterprises and Small Enterprises	10,163.08	6,527.94
	Total	**11,125.06**	**7,055.57**

Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the group is as under:

Particulars		
Principal amount due and remaining unpaid	961.98	568.52
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years -	-	
	961.98	**568.52**

15.3	**Other financial liabilities**		
	Current maturities of long-term debt	516.95	372.87
	Unpaid matured debentures and interest	2.58	2.25
	Unpaid Dividend	6.95	9.31
	Payable towards purchase consideration of Investment	16.21	490.26
	Book Overdraft	305.67	-
	Provision for warranty claims	131.62	-
	Lease Liability (Refer Note (i) below)	133.25	135.71
	Interest accrued	340.77	137.48
	Deferred Employee loan	0.32	0.65
		1,454.32	**1,148.53**

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
Note:	**(i) The following is the movement in lease liabilities during the year :**		
	Opening Balance	300.80	-
	Add: Addition during the year	160.19	448.58
	Add: Finance cost accrued during the year	23.48	17.97
	Less: Payment of lease liabilities	(194.84)	(165.75)
	Less: Reversal of lease liabilities	(10.67)	-
	Closing Balance	**278.96**	**300.80**
	The following is the contractual maturity profile of lease liabilities:		
	Less than one year	22.27	48.70
	One year to five years	256.69	252.10
		278.96	**300.80**
16	**Current Tax Liability (net)**		
	Provision for Tax (Net of Advance Income Tax)	633.39	411.91
		633.39	**411.91**
17	**Other current liabilities**		
	Advances from Customers	534.72	684.40
	Security deposits from Customers	107.29	223.81
	Statutory Liabilities	111.00	125.11
	Employee's benefits payable	30.80	10.42
	Liability for capital assets	457.23	454.44
	Other payables (Bonus, Superannuation, etc.)	199.19	183.59
		1,440.23	**1,681.77**
18	**Provisions**		
	Provision for employee benefits (Refer Note 34)		
	- Leave Encashment	8.22	5.11
	- Gratuity	14.50	31.87
		22.72	**36.98**

(₹ in Lakhs)

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
19	**Revenue from operations**		
	A. Sale of products		
	Refractories	34,558.96	35,400.72
	Calcined Bauxite	3.82	26.01
	Traded goods	4,162.74	7,654.62
		38,725.52	**43,081.35**
	B. Sale of Services	552.54	1,783.18
	C. Other Operating Revenue		
	Scrap Sales and recovery from customers	190.06	145.89
		39,468.12	**45,010.42**
	Disaggregated revenue information is disclosed above.		
	Reconciliation of Revenue from operations with contract price:		
	Particulars		
	Contract Price	39,514.90	45,018.15
	Reduction towards variable consideration components*	46.78	7.73
	Revenue from Operations	**39,468.12**	**45,010.42**
	* The reduction towards variable consideration comprises of volume discounts, rebates, etc.		
20	**Other income**		
	Interest income from bank/others	24.03	50.35
	Lease rental income	-	2.38
	Dividend income	-	28.02
	Provision/liabilities no longer required written back	68.40	55.31
	Profit on Sale of an Property plant and equipment	-	0.65
	Net profit/loss on sale of current investments	0.03	-
	Foreign Exchange Fluctuation	-	-
	Other non operating income	170.37	201.13
		262.83	**337.84**
21	**Cost of Materials consumed**		
	Raw Material Consumed	21,333.47	21,747.39
		21,333.47	**21,747.39**
22	**Changes in inventories of finished goods and work - in - progress**		
	Inventories at the beginning of the year		
	Work-in-Progress	379.91	450.40
	Finished Goods	3,241.68	2,611.56
		3,621.59	**3,061.96**
	Less - Inventories at the end of the year		
	Work-in-Progress	543.38	379.91
	Finished Goods	3,384.55	3,241.68
		3,927.93	**3,621.59**
	Changes in inventories of finished goods and work - in - progress	(306.34)	(559.63)

(₹ in Lakhs)

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
23	**Employee benefits expenses**		
	Salaries, wages, Allowances & Commission	4,609.27	4,787.19
	Contribution to Provident & Other funds	404.35	376.01
	Employee share-based payment expense	75.89	101.58
	Gratuity & Pension	77.44	118.55
	Staff welfare expense	139.49	193.84
		5,306.44	**5,577.17**
24	**Finance costs**		
	Interest on Term Loans	519.29	479.45
	Interest on Cash Credits	112.81	170.53
	Unwinding Discount	20.47	20.14
	Interest - Others	276.44	171.87
		929.01	**841.99**
25	**Depreciation and amortization expense**		
	Depreciation of tangible assets	1,107.44	1,175.31
	Amortization of intangible assets	484.78	602.74
		1,592.22	**1,778.05**
26	**Other expenses**		
	Consumption of stores & spare parts	453.87	482.38
	Power and fuel	1,235.47	1,434.11
	Packing, freight & transport	1,462.98	1,412.34
	Commission	268.37	448.75
	Rent	39.13	45.85
	Repairs to buildings	15.87	56.71
	Repairs to machinery	427.61	537.11
	Repairs others	47.22	55.11
	Insurance	92.02	50.55
	Rates and taxes	75.31	86.54
	Payment to the auditors		
	- Statutory Audit fees	40.63	43.63
	- Limited Review fees	14.45	13.95
	- Certification fees	6.09	12.20
	- for reimbursement of expenses	-	2.89
	Advertisement & publicity	44.31	55.12
	Provision for expected credit loss	201.19	58.50
	Bad Debt written off	21.16	29.70
	Provision for warranty claims	88.70	-
	Advances written off	0.52	10.52
	Foreign Exchange Fluctuations	13.18	16.99
	Travelling & Conveyance	209.39	571.03
	Donations	0.35	1.41
	Professional & Legal Fees	328.72	780.69
	Brick Lining Expenses	451.35	1,529.71
	Loss on Sale of Property plant and equipment	4.83	-
	Corporate social responsibility expenses (Refer Note 37)	19.86	6.96
	Miscellaneous expenses	448.00	631.33
		6,010.58	**8,374.08**
27	**Tax expense**		
	Current tax	665.58	1,061.63
	Tax for Earlier Years	0.51	-
	Deferred tax		
	- Deferred tax credit	(195.00)	(325.33)
		471.09	**736.30**
	Income tax recognised in other comprehensive income		
	Income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	(97.67)	3.69
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	**(97.67)**	**3.69**
	Total income tax expense recognised in profit & loss account	**471.09**	**736.30**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	25.168%	25.168%
	Profit before tax	1,136.30	2,349.85
	Income tax expense calculated at 25.168% (including surcharge and education cess)	522.69	507.36
	Effect of income that is not chargeable to tax	0.08	18.06
	Impact of change in tax rate	-	(137.72)
	Effect of expenses that are deductible in determining taxable profit	(64.06)	(12.92)
	Effect of expenses that are non-deductible in determining taxable profit	33.40	50.72
	Other Difference due to Temporary differences in Tax Base	(21.02)	310.80
	Total income tax expense recognised in profit & loss account	**471.09**	**736.30**

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
28	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Actuarial (loss) on defined benefit obligation	(5.60)	(14.58)
	- Fair valuation of equity instruments at FVOCI	7,678.66	(3,487.82)
	- Income tax relating to Actuarial loss	1.39	3.69
	- Income tax relating to fair valuation of investments	(99.06)	-
	Items that will be reclassified to profit or loss		
	Exchange differences in translating the financial statements of foreign operations	(260.36)	(655.45)
	Total Other Comprehensive Income	**7,315.03**	**(4,154.16)**
29	**Earning per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	686.14	1,780.16
	Add: Share based payment (net of tax)	56.79	76.01
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	742.93	1,856.17
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	31,52,084	31,52,084
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	31,75,491	31,75,491
	Earning per share of ₹ 10 each (in ₹)		
	Basic	21.77	56.48
	Diluted*	21.77	56.48
	Face value per equity shares (in ₹)	10.00	10.00

* As the Diluted Earning per share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share.

30 Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	224.67	39.61

31 Contingent Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i	Bank Guarantees	1,152.35	1,157.11
ii	Corporate Guarantee (Refer note 39)	8,222.42	8,404.59
iii	Claims against the Group not acknowledged as debt and being contested before the appropriate authorities		
-	Service tax matters	350.47	206.16
-	Sale tax matters	0.43	84.42
-	Other matters	24.01	25.78
-	Provident Fund : 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.	Amount not determinable	Amount not determinable

32 During the previous year, the Group 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. Details of such expenses capitalised and carried forward as part of capital work in progress are given below:

(₹ in Lakhs)

	2020-21	2019-20
Opening Balance	-	**1,671.60**
Expenditure incurred during the year		
Purchase of Materials	-	58.40
Interest and financial charges	-	7.92
Civil Work	-	74.42
Computer software	-	7.81
Store & spares	-	5.86
Others expenses	-	19.13
Total expense for the year	-	**1,845.14**
Less: capitalised during the year	-	1,845.14
Carried forward as a part of Capital Work in Progress	-	-

33 Segment Information

(i) General Disclosure

As per Indian Accounting Standard 108 on "Operating Segment " (IND AS 108), the Group has identified and reported geographical as primary segment taking into account the differing risks and return, the organization structure and the internal reporting system.

These Segments are organized into two main business segment based on geographies:

(a) Domestic : Operations within India

(b) International : Operations Outside India.

(ii) Entity-wide disclosure required by IND AS 108 are made as follows:

a) Segment Revenue

(₹ in Lakhs)

Particulars	2020-21	2019-20
Domestic	27,915.45	34,288.89
International	11,815.50	11,059.37
Total	**39,730.95**	**45,348.26**
Less : Inter segment Revenue	-	-
Total Revenue	**39,730.95**	**45,348.26**

b) Segment Results

(₹ in Lakhs)

Particulars	2020-21	2019-20
Domestic	1,262.55	1,966.41
International	802.76	1,225.43
Total	**2,065.31**	**3,191.84**
Less : Finance Cost	929.01	841.99
Profit Before Tax	**1,136.30**	**2,349.85**

c) Segment Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Domestic	48,440.22	37,738.83
International	7,183.75	6,217.25
Total	**55,623.97**	**43,956.08**

d) Segment Liability

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Domestic	18,035.70	15,423.55
International	12,341.43	11,832.41
Total	**30,377.13**	**27,255.96**

(iii) Information about major customers:

There is no customer in FY 2020-21 (2 customers in FY 2019-20) where revenue from that customer aggregating to NIL (2019-20: ₹ 11,784.91 lakh) exceeds 10 per cent or more from each customer of Group's revenues during the current year.

34 Employee Benefits

Gratuity

The Parent 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 in Parent Company is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Parent 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.

A. Statement of profit and loss

Net employee benefit expense

(₹ in Lakhs)

Particulars	2020-21			2019-20		
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Gratuity (unfunded)	Leave encashment
Current Service cost	32.96	7.03	8.55	30.72	7.47	6.65
Interest Cost	28.66	2.12	2.42	30.09	2.31	7.63
Expected return on plan asset	(24.69)	-	-	(26.38)	-	-
Total Expense	**36.93**	**9.16**	**10.97**	**34.43**	**9.78**	**14.28**

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

(₹ in Lakhs)

Particulars	2020-21			2019-20		
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Gratuity (unfunded)	Leave encashment
Present value of Obligation as at year-end	448.75	32.96	58.30	444.93	30.68	35.53
Fair value of plan assets	387.83	-	-	363.09	-	-
Net Asset/(Liability) recognised in the balance sheet	(60.92)	(32.96)	(58.30)	(81.84)	(30.68)	(35.53)

(ii) Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	2020-21			2019-20		
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Gratuity (unfunded)	Leave encashment
Opening defined benefit obligation	421.46	7.47	35.53	393.32	7.06	99.79
Interest cost	28.66	2.12	2.42	30.09	2.31	7.63
Current service cost	32.96	7.03	8.55	30.72	7.47	6.65
Benefit paid	(46.50)	(1.00)	(1.90)	(56.09)	-	(56.84)
Actuarial (gain)/ loss on obligation	12.17	(5.85)	14.28	23.42	(9.37)	(21.70)
Closing defined benefit obligation	448.75	9.78	58.88	421.46	7.47	35.53

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Opening fair value of plan assets	363.09	344.80
Expected return on Plan Assets	24.69	26.38
Contribution during the year	45.83	48.52
Amount Receivable from LIC	(46.50)	(25.46)
Actuarial gains / (loss) on plan asset	0.72	(0.52)
Benefits paid	-	(30.63)
Closing fair value of plan assets	387.83	363.09

(iv) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Discount rate (%)	6.82%	6.80%
Expected salary increase (%)	7.00%	6.00%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Provident and other funds	404.35	376.01

(vi) Sensitivity analysis of the defined benefit obligation:

(₹ in Lakhs)

Particulars	2020-21			2019-20		
	Gratuity (funded)	Gratuity (unfunded)	Leave encashment	Gratuity (funded)	Gratuity (unfunded)	Leave encashment
Impact of the change in discount rate						
Present value of obligation at the end of the period						
Impact due to increase of 0.50%	(14.31)	(1.71)	(2.44)	(12.97)	(1.78)	(1.59)
Impact due to decrease of 0.50%	15.35	1.86	2.64	13.87	1.95	1.72
Impact of the change in salary increase						
Present value of obligation at the end of the period						
Impact due to increase of 0.50%	15.24	1.85	2.62	13.91	1.53	1.74
Impact due to decrease of 0.50%	(14.35)	(1.72)	(2.44)	(13.13)	(1.40)	(1.61)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

(vii) Other comprehensive income (OCI):

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
Net cumulative unrecognized actuarial (gain)/loss opening	-	-
Actuarial gain/(loss) for the year on PBO	(6.32)	(14.05)
Actuarial gain/(loss) for the year on plan asset	0.72	(0.52)
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(5.60)	(14.57)

(viii) The above information is only in respect of holding and subsidiary companies incorporated in India.

35 Share Based Payments

The Parent Company offered equity based awards through the Company's stock option plan introduced during FY 2018-19.

Dalmia Refractories Limited Employee Stock Option Plan 2018

The Parent Company introduced Dalmia Refractories Limited Employee Stock Option Plan 2018 (DRL ESOP), which was approved by the shareholders of the Company to provide equity settled incentive to eligible employees and directors (excluding independent director) of the Parent Company.

The details of share options for the year ended 31st March 2021 is presented below:

Particulars	ESOP 2018
Options as at 1st April, 2020	1,65,000
Options granted during the year	-
Options forfeited during the year	-
Options exercised during the year	-
Options outstanding as at 31st March, 2021	1,65,000

The stock options under the DRL ESOP 2018 were granted on 31st October, 2018. The exercise price of the option is ₹ 150 per share.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed on over the vesting period.

The fair values were calculated using the Black-Scholes European Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the DCF Method at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1.25 years - 4.25 years from the date of respective vesting.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2018
Number of Options	1,65,000
Exercise Price	150
Share Price at the date of grant as per DCF Method calculated by the valuer	281
Vesting Period	1) 10% of the options on completion of 1 year from Grant Date
	2) 20% of the options on completion of 2 year from Grant Date
	3) 30% of the options on completion of 3 years from Grant Date
	4) 40% of the options on completion of 4 years from Grant Date
Annual Volatility	45.91 % - 49.34%
Expected option life	1.25 - 4.25 years
Expected dividends	0.18%
Risk free interest rate	7.59% - 7.75%
Fair value per option granted	1) 149.81 for vesting of shares on completion of 1 year from Grant Date
	2) 164.10 for vesting of shares on completion of 2 years from Grant Date
	3) 176.14 for vesting of shares on completion of 3 years from Grant Date
	4) 187.59 for vesting of shares on completion of 4 years from Grant Date

The Group recognised total expenses of ₹ 75.89 lakh (PY ₹ 101.58 lakh) to the above equity settled share based payment transactions for the year ended 31st March, 2021. Equity Settled employee stock options reserve outstanding with respect to the above scheme as at year end is ₹ 223.73 lakh.

36 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Relationships

i. Key Managerial Person and Directors

Mr. Sameer Nagpal	Managing Director
Mr. C.N. Maheshwari	Chief Executive Officer (till 24-May-2019)
Mr. Manoj Kumar Rathi	Chief Financial Officer
Ms. Akansha Jain	Company Secretary
Mr. Deepak Thombre	Independent Director
Mr. C. Nagaratnam	Independent Director
Mr. M.K. Doogar	Independent Director (till 31-March-2021)
Ms. Leena Rawal	Non-Executive Director

ii. Shareholder(s) having substantial stake in the Parent Company

Akhyar Estate Holdings Private Limited

iii. Promoters of the Parent Company

Mr J.H. Dalmia and Mr Y.H. Dalmia

iv. Trust related to retiral benefit plan

SNCCIL Employees Group Gratuity Scheme, Shri Nataraj Ceramic Executive Superannuation Scheme

v. Enterprises controlled by the Promoters of the Parent Company with whom transactions have taken place:-

Dalmia Cement (Bharat) Limited, Adhunik Cement Limited, Dalmia Bharat Sugar & Industries Limited, Dalmia DSP Limited, Calcom Cement (India) Limited, Alirox Abrasives Limited, Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited), Shri Chamundeswari Minerals Limited, Dalmia Bharat Limited, Dalmia Bharat Group Foundation, Garvita Solution Services and Holdings Private Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Keshav Power Limited, Shree Nirman Limited, Murli Industries Limited

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

(₹ in Lakhs)

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year 2020-21	For the year 2019-20
Promoter Controlled enterprise	Dalmia Cement (Bharat) Limited	Sale of Goods	3,086.91	5,054.39
	Murli Industries Limited		1,027.46	-
	Dalmia DSP Limited		431.94	186.23
	Calcom Cement (India) Limited		79.52	59.35
	Dalmia Bharat Sugar & Industries Limited		7.32	4.67
	Dalmia Cement (Bharat) Limited	Sale of Services	41.11	441.52
	Murli Industries Limited		19.20	-
	Dalmia Bharat Limited	Dividend received	-	27.96
	Dalmia Bharat Sugar & Industries Limited		-	0.04
	Akhyar Estate Holdings Private Limited	Dividend paid	-	21.70
	Garvita Solution Services and Holdings Private Limited		-	5.24
	Alirox Abrasives Limited		-	3.71
	Himgiri Commercial Limited*		-	0.00
	Valley Agro Industries Limited*		-	0.00
	Keshav Power Limited*		-	0.00
	Shree Nirman Limited*		-	0.00
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)	Purchase of goods & Services	8.88	119.59
	Dalmia Bharat Sugar & Industries Limited		2.14	-
	Alirox Abrasives Limited		30.00	30.00
	Dalmia Cement (Bharat) Limited		2,294.57	2,735.06
		Loan taken	2600.00	-
		Loan repaid	250.00	-
		Interest on Loan taken	156.61	-
		Reimbursement of expenses paid	1.55	1.64
	Dalmia Bharat Limited		56.23	43.30
	Shri Chamundeswari Minerals Limited		3.11	1.08
	Dalmia Bharat Group Foundation	Corporate social responsibility expenses	19.86	6.96
Trust related to retiral benefit plan	SNCCIL Employees Group Gratuity Scheme	Contribution	45.83	48.52
	Shri Nataraj Ceramic Executive Superannuation Scheme		60.57	9.11
Key Management Personnel of Parent Company	Mr. Manoj Kumar Rathi - CFO	Salary & Perquisites	78.20	76.88
	Ms. Akansha Jain - CS		6.90	6.59
Directors of Parent Company	Mr. Deepak Thombre	Sitting fees and commission	2.45	2.60
	Mr. C. Nagaratnam		2.45	2.60
	Mr. M.K. Doogar		2.40	2.50
	Ms. Leena Rawal		1.00	1.00

* Dividend paid amounting to NIL (FY 2019-20: ₹ 7.5/-)

C. Balances outstanding at year end:

(₹ in Lakhs)

Nature of Relationship	Name of Related Party	Nature of Balances	31-Mar-21	31-Mar-20
Promoter Controlled enterprises	Dalmia Cement (Bharat) Limited	Outstanding balance at year end (Amount Receivable)	1,865.85	695.13
	Murli Industries Limited		430.46	-
	Dalmia DSP Limited		23.39	10.15
	Dalmia Bharat Sugar Industries Limited	Investments	1.86	0.49
	Dalmia Bharat Limited		11,106.35	3,429.06
	Dalmia Cement (Bharat) Limited	Loan taken (including interest)	2,442.78	-
		Outstanding balance at year end (Amount payable)	3,183.28	1,197.59
	Dalmia Bharat Limited		30.61	15.66
	Murli Industries Limited		39.35	39.35
	Alirox Abrasives Limited		11.01	-
	Shri Chamundeswari Minerals Limited		3.11	-
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)		13.99	13.93
Trust related to retiral benefit plan	SNCCIL Employees Group Gratuity Scheme	Outstanding balance at year end (Amount Receivable)	84.99	34.00
	Shri Nataraj Ceramic Executive Superannuation Scheme	Outstanding balance at year end (Amount Payable)	8.73	11.65

(₹ in Lakhs)

Nature of Relationship	Name of Related Party	Nature of Balances	31-Mar-21	31-Mar-20
Directors of Parent Company	Mr. Deepak Thombre	Sitting fees and commission	1.00	-
	Mr. C. Nagaratnam		1.00	-
	Mr. M.K. Doogar		1.00	-

37 Disclosure in respect of Corporate social responsibility expenses

(₹ in Lakhs)

Particulars		2020-21	2019-20
(i)	Gross amount required to be spent during the year	19.86	6.96
(ii)	Amount spent during the year * :		
	- Construction/acquisition of any asset	-	-
	- On purposes other than above	19.86	6.96
(iii)	Details of excess amount spent of Corporate social responsbility		
	Opening balance	-	-
	Amount required to be spent during the year	19.86	6.96
	Amount spent during the year	(19.86)	(6.96)
	Closing balance	-	-

* includes ₹ 19.86 lakh (March 31, 2020: ₹ 6.96 lakh) paid to a related party (Dalmia Bharat Group Foundation) (Refer note 36).

38 The Company has debited direct expenses relating to bauxite mining to cost of raw materials consumed as under:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Employees Benefit Expenses	219.03	279.86
Cost of Materials consumed	37.32	38.72
Other expenses		
- Rates and taxes	11.65	17.12
- Travelling & Conveyance	11.41	22.85
- Miscellaneous expenses	6.68	8.72
- Rent	4.85	3.03
- Repairs others	4.18	4.36
- Professional & Legal Fees	1.28	2.79
	296.40	377.45

39 Dividend

The Board of Directors of Parent Company has recommended final dividend of ₹ 1 (10%) per equity share of ₹ 10/- each for the year ended 31st March 2021.

40 Events occurring After the Balance Sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of financial statements.

41 The subsidiaries considered in the consolidated financial statements are :-

S. No.	Name of Company	Principal place of business	Proportion (%) of shareholding	
			31-Mar-21	31-Mar-20
1	Dalmia Seven Refractories Limited	India	51%	51%
2	Dalmia GSB Refractories GmbH	Germany	100%	100%
3	GSB Refractories India Private Limited*	India	100%	100%

** Includes shares held by subsidiary company*

42 Financial information of subsidiary that have material non-controlling interests is provided below:-

Name	Country of Incorporation	% equity interest	
		As at March 31, 2021	As at March 31, 2020
Dalmia Seven Refractories Limited	India	49%	49%

Summarised financial information for subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Lakhs)

Summarised Balance Sheet	Dalmia Seven Refractories Limited	
	As at March 31, 2021	As at March 31, 2020
Current assets	3,210.55	1135.04
Current liabilities	2,997.52	1790.73
Net current assets / (liabilities)	213.03	(655.69)
Non-current assets	2,991.98	3020.66
Non-current liabilities	2,009.99	2128.48
Net non-current assets	981.99	892.18
Net assets	1,195.02	236.49
Accumulated NCI	585.55	115.88

(₹ in Lakhs)

Summarised Statement of Profit and Loss	For the year ended As at March 31, 2021	For the year ended As at March 31, 2020
Revenue from operations	5,005.12	3678.40
Loss for the year	(42.71)	(340.03)
Other comprehensive income	1.23	0.96
Total comprehensive income	(41.48)	(339.07)
Loss allocated to NCI	(20.33)	(166.14)
Dividends paid to NCI	Nil	Nil

(₹ in Lakhs)

Summarised Statement of Cash Flows	For the year ended As at March 31, 2021	For the year ended As at March 31, 2020
Cash flow used in operating activities	(105.27)	436.63
Cash flow used in investing activities	(137.31)	(173.55)
Cash flow from financing activities	1,250.95	(292.80)
Net (decrease)/ increase in cash and cash equivalents	1008.37	(29.72)

43 Additional Information, as required under Schedule III to the Act, of enterprises consolidated as Subsidiary:

Name of the entity in the Group	Net Assets, i.e, total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other compre-hensive income	Amount (₹ in Lakhs)	As % total compre-hensive income	Amount (₹ in Lakhs)
Parent								
Dalmia Refractories Limited	102%	25,626.13	107%	714.06	103%	7,571.03	104%	8,285.09
Subsidiaries								
Indian								
1. Dalmia Seven Refractories Limited	5%	1,195.02	(6%)	(42.71)	0%	1.23	(1%)	(41.48)
2. GSB Refractories India Private Limited	5%	1,205.38	(20%)	(130.52)	0%	3.13	(2%)	(127.39)
Foreign								
1. Dalmia GSB Refractories GMBH	5%	1,380.44	24%	160.96	(4%)	(258.88)	(1%)	(97.92)
Consolidation adjustments/ Eliminations	(16%)	(4,160.13)	(5%)	(36.58)	0%	(1.48)	0%	(38.06)
Total	**100%**	**25,246.84**	**100%**	**665.21**	**100%**	**7,315.03**	**100%**	**7,980.24**

44 The Board of Directors of Parent Company in their meeting held on 14th November, 2019, approved Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited ('DRL'), GSB Refractories India Private Limited ('GSB India'), Dalmia Bharat Refractories Limited ('DBRL') (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and Dalmia OCL Limited ('DOCL') (formerly known as Dalmia OCL Private Limited/ Ascension Commercio Private Limited) and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013.

Subsequently, on 5th April 2021, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved modification of the aforesaid Scheme. The modification involved removal of the step with regard to transfer of refractory undertaking from DBRL to DOCL. As a result, the name of the Modified Scheme changed to Scheme of Amalgamation of DRL and GSB India with DBRL and their respective shareholders and creditors ('Scheme 2'). Scheme 2 now involves amalgamation of the Company and its subsidiary GSB India with DBRL. The appointed date of the said Scheme 2 is 1st April, 2020.

The Board of Directors of Dalmia Cement (Bharat) Limited ('DCBL') and DBRL in their respective meetings held on 14th November, 2019, approved a Scheme of Arrangement amongst DCBL 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 DCBL to DBRL, by way of slump exchange on a going concern basis. The appointed date of the said Scheme would be 1st April, 2019.

Scheme 1 is pending for final approval from the NCLT, Chennai Bench. With regards to Scheme 2,
• secured and unsecured creditors of the Company and the unsecured creditors of GSB India have approved the Scheme 2 in their respective meetings convened by NCLT on 27th May, 2021
• meeting of the equity shareholders of the Company to consider and approve the said Scheme 2 is scheduled on 3rd June, 2021

Pending approval of the Scheme 2 by the various regulatory authorities and other compliances, the Consolidated Financial Statements of the Group for the year ended 31st March 2021 have been prepared on going concern basis.

45 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks and devise appropriate risk management framework for the Group. The senior management provides assurance 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.

A. Credit Risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

To manage this, Group periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Group for extension of credit to customer Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. 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 46. The Group evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	8,322.78	1,237.90	6,977.38	424.07
Expected Credit Losses (B)	-	(408.70)	-	(237.67)
Net Carrying Amount (A-B)	**8,322.78**	**829.20**	**6,977.38**	**186.40**

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, 2021 and March 31, 2020 is the carrying amounts as illustrated in note 46.

B. Liquidity Risk :

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and buyers credit. The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Table hereunder provides the current ratios of the Group as at the year end:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total current assets	23,335.67	18,462.71
Total current liabilities	18,599.46	15,144.42
Current ratio	**1.25**	**1.22**

The table below summarises the maturity profile of the Group's financial liabilities :

(₹ in Lakhs)

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
As at 31 March 2020				
Borrowings	3,467.96	1,714.57	9,779.26	14,961.79
Other financial Liabilities	285.40	490.26	165.09	940.75
Trade and other payables	-	7,055.57	-	7,055.57
Total	**3,753.36**	**9,260.40**	**9,944.35**	**22,958.11**
As at 31 March 2021				
Borrowings	515.56	3,925.13	9,493.45	13,934.14
Other financial Liabilities	921.16	16.21	145.71	1,083.08
Trade and other payables	-	11,125.06	-	11,125.06
Total	**1,436.72**	**15,066.40**	**9,639.16**	**26,142.28**

C. 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. The Group is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Group is exposed to following key market risks:

(i) 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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term borrowings obligations in the form of term loans, cash credit and buyer's credit carrying floating interest rates.

(₹ in Lakhs)

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2021	2,350.00	11,584.14	**13,934.14**
As at March 31, 2020	-	14,961.79	**14,961.79**

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(₹ in Lakhs)

Sensitivity on variable rate borrowings	Impact on Statement of Profit & Loss	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest rate increase by 0.25%	(33.18)	(35.99)
Interest rate decrease by 0.25%	33.18	35.99

(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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts.

The details of foreign currency exposure is as follows:

(₹ in Lakhs)

Particulars	Foreign Currency (FC)	FY 2020-21 (in lakh)		FY 2019-20 (in lakh)	
Unhedged Foreign Currency*		In FC	In ₹	In FC	In ₹
Trade and Other Payables	USD	4.85	356.74	14.82	1,118.88
	Euro	8.04	698.36	6.79	565.55
Trade Receivables	USD	10.59	778.80	9.55	720.85
	Euro	0.18	15.17	0.83	69.31
Hedged Foreign Currency					
Trade Payables - Purchase of Raw Material	USD	12.23	899.59	2.91	210.44

* Excluding advances from customers and advances to vendors

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

(₹ in Lakhs)

Particulars	Increase / Decrease in basis points	Impact on Profit & Loss Account	
		For the year ended 31 March 2021	For the year ended 31 March 2020
USD Sensitivity	+ 50 basis points	0.29	(0.26)
	- 50 basis points	(0.29)	0.26
Euro Sensitivity	+ 50 basis points	(0.39)	(0.30)
	- 50 basis points	0.39	(0.30)

* Holding all other variable constant

Impact of COVID-19

The Group has made detailed assessment of impact of COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same. However, the management will continue to closely monitor the evolving situation and assess its impact on the business of the Group.

46 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial Assets

(₹ in Lakhs)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds and others	A	Level-1	-	-	0.33	0.33
2	**Financial assets designated at fair value through other comprehensive income**						
	Non-Current						
	- Investment In Equity shares	B	Level-1	11,108.21	11,108.21	3,429.55	3,429.55
3	**Financial assets designated at amortised cost**	C					
	Non-Current						
a)	Loans			87.54	87.54	91.76	91.76
	Current						
a)	Trade receivables*			9,151.98	9,151.98	7,163.78	7,163.78
b)	Cash & Cash Equivalents*			3,410.89	3,410.89	923.42	923.42
c)	Other Bank Balances*			239.62	239.62	187.06	187.06
d)	Loans*			5.92	5.92	9.35	9.35
e)	Other financial assets*			670.25	670.25	577.17	577.17
				24,674.41	**24,674.41**	**12,382.42**	**12,382.42**

Financial Liabilities

(₹ in Lakhs)

S. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	C					
	Non-Current						
	- Borrowings			9,493.45	9,493.45	9,779.26	9,779.26
	- Other financial liability			145.71	145.71	165.09	165.09
	Current						
	- Borrowings*			3,923.74	3,923.74	4,809.66	4,809.66
	- Trade payables*			11,125.06	11,125.06	7,055.57	7,055.57
	- Other financial liability*			1,454.32	1,454.32	1,148.53	1,148.53
				26,142.28	**26,142.28**	**22,958.11**	**22,958.11**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A Company has opted to fair value its mutual fund investment through profit & loss.
B Company has opted to fair value its quoted investments in equity share through OCI.
C Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

47 Capital Management

For the purpose of the Group 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 cash and cash equivalents. The primary objective of the Group 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.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Debt (i)	13,934.14	14,961.79
Cash & Cash Equivalents	3,410.89	923.42
Net Debt	10,523.25	14,038.37
Total Equity	25,246.84	16,700.12
Net debt to equity ratio (Gearing Ratio)	0.42	0.84

(i) Debt is defined as long-term and short-term borrowings

48 The figures for the corresponding previous year have been regrouped/ rearranged wherever considered necessary, to make them comparable.

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Regn. No.: 101720W/W100355

Vijay Napawaliya
Partner
Membership No.: 109859
Place : Mumbai
Date : 31st May 2021

For and on behalf of the Board of Directors of Dalmia Refractories Limited

Deepak Thombre
Chairman
DIN: 02421599
Place: Pune

Sameer Nagpal
Managing Director
DIN: 06599230
Place: Gurugram

Manoj Kumar Rathi
Chief Financial Officer
Place: Noida

Akansha Jain
Company Secretary
Place: New Delhi

Dalmia
Refractories

Dalmia Refractories Limited

(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

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