Notes to the financial statements for the year ended March 31, 2017

Note 1 - Significant Accounting Policies

A. Corporate Information

Dalmia Bharat Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in providing management services. Its equity shares are listed on NSE and BSE stock exchanges in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The financial statements of the Company for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the Board of Directors on May 10, 2017.

B. Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting standards (Ind AS) as notified notified by Ministry of corporate affairs under section 133 of the companies act, 2013 ("Act") read with companies (Indian Accounting standard) Rules, 2015 as amended by companies (Indian Accounting standard) (Amendment) Rules, 2016, the relevant provisions of the Act, Securities and Exchange Board of India (SEBI), as applicable.

These financial statements for the year ended March 31, 2017 are the company's first Ind AS financial statements. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance of the company is provided in note no.44.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Investment in mutual funds and venture capital fund measured at fair value [refer accounting policy 1(R) regarding financial instruments],
- Certain financial assets and liabilities measured at fair value
- Share based payments
- Defined benefit plans as per actuarial valuation

C. Classification of Assets and Liabilities into Current/Non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

D. Investment in associates, joint ventures and subsidiaries.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

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

The Company's investments in its associates and joint ventures are accounted at cost. Investment in subsidiaries are measured at cost in accordance with Ind AS 27.

As per Ind AS 101, on date of transition, the Company elects to measure its investment in subsidiaries at deemed cost which is equivalent to previous GAAP carrying amount at the date of transition. [Refer Note 44(b)]

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109 as stated in note 1(R).

E. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

F. Foreign currencies

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

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

In accordance with Ind-AS 101 'First time adoption', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment before transition date are capitalized and depreciated over the remaining useful life of the asset.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Disclosures for valuation methods, significant estimates and assumptions (note 24)
- Financial instruments (including those carried at amortised cost) (note 31)
- Comparison of carrying value and fair value of financial instruments (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 32)

Notes to the financial statements for the year ended March 31, 2017

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Revenue from services

Revenues from management services are recognized as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

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

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

I. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the Income Tax Act, 1961, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

J. Property, plant and equipment

The Company has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

K. Intangible Assets

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

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

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

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

A summary of amortization policies applied to the Company's intangible assets is as below:

	Useful live
Computer software	3 to 5 years

L. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

M. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined there are no arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs [See note 1(l)]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

N. **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

O. **Provisions**

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

P. **Retirement and other employee benefits**

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and Employees state insurance (ESI) are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Re-measurements, comprising of re-measurement gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Q. **Share-based payments**

Certain senior executives of the Company receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The Company has chosen first time adoption exemption and has not applied Ind AS 102 to equity instruments that vested before date of transition to Ind AS. Refer note 44.

Cost is recognised, together with a corresponding increase in Employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of Company are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/ or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

R. **Earnings per Share**

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

S. Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Debt instruments at amortised cost
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 8.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 13.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

T. Segment reporting

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

U. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

V. Cash dividend distribution to equity holders of the parent

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

Notes to the financial statements for the year ended March 31, 2017

2. Property, plant and equipment

(₹ Crore)

	Land	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Cost								
As at April 01, 2015	14.42	0.34	58.62	0.67	0.55	1.14	1.69	77.43
Additions during the year	3.30	–	–	–	1.75	0.92	3.43	9.40
Disposals during the year	–	0.33	–	–	–	0.35	0.41	1.09
As at March 31, 2016	**17.72**	**0.01**	**58.62**	**0.67**	**2.30**	**1.71**	**4.71**	**85.74**
Additions during the year	–	–		0.31	0.10	0.85	2.12	3.38
Disposals during the year	–	–		0.07	0.32	0.36	1.17	1.92
As at March 31,2017	**17.72**	**–**	**58.62**	**0.91**	**2.08**	**2.20**	**5.66**	**87.20**
Depreciation								
As at April 01, 2015	–	–	–	–	–	–	–	–
Charge for the year	–	0.01	2.29	0.16	0.40	0.23	0.87	3.96
On Disposals	–	–	–	–	–	0.21	0.39	0.60
As at March 31, 2016	**–**	0.01	**2.29**	**0.16**	**0.40**	**0.02**	**0.48**	**3.36**
Charge for the year	–	–	2.29	0.18	0.62	0.35	1.39	4.83
On Disposals	–	–	–	0.06	0.23	0.34	1.16	1.79
As at March 31,2017	**–**	**0.01**	**4.58**	**0.28**	**0.79**	**0.03**	**0.71**	**6.40**
Net Block								
As at March 31,2017	**17.72**	**-**	**54.04**	**0.63**	**1.29**	**2.17**	**4.95**	**80.80**
As at March 31, 2016	**17.72**	**-**	**56.33**	**0.51**	**1.90**	**1.69**	**4.23**	**82.38**
As at April 01, 2015	**14.42**	**0.34**	**58.62**	**0.67**	**0.55**	**1.14**	**1.69**	**77.43**

3. Intangible Assets

(₹ Crore)

	Computer Software
Cost	
As at April 01, 2015	0.73
Additions during the year	0.29
Disposals during the year	–
As at March 31, 2016	1.02
Additions during the year	1.30
Disposals during the year	–
As at March 31,2017	2.32
Amortisation	
As at April 01, 2015	
Charge for the year	0.40
On Disposals	–
As at March 31, 2016	0.40
Charge for the year	0.53
On Disposals	–
As at March 31,2017	0.93
Net Block	
As at March 31, 2017	1.39
As at March 31,2016	0.62
As at April 01, 2015	0.73

4. Intangible assets under development

(₹ Crore)

	Intangible assets under development
Cost	
As at April 01, 2015	–
Additions during the year	0.69
Disposals during the year	–
As at March 31, 2016	0.69
Additions during the year	0.31
Disposals during the year	0.87
As at March 31,2017	0.13

Notes to the financial statements for the year ended March 31, 2017

5. Investments

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Cost						
Unquoted equity shares (Investment in subsidiaries)						
234,251,187 (March 31, 2016: 234,251,187, April 01, 2015: 215,000,000) Shares of ₹ 10/- each fully paid up in Dalmia Cement (Bharat) Limited	842.44		836.68		216.15	
420,000 (March 31, 2016: 420,000, April 01, 2015: 420,000) Shares of ₹ 10/- each fully paid up in Kanika Investment Limited	2.32		2.32		2.32	
500,000 (March 31, 2016: 500,000, April 01, 2015: 500,000) Shares of ₹ 10/- each fully paid up in Dalmia Power Limited	0.50		0.50		0.50	
50,000 (March 31, 2016: 50,000, April 01, 2015: 50,000) Shares of ₹ 10/- each fully paid up in Adwetha Cement Holdings Limited	0.05	845.31	0.05	839.55	–	218.97
Quoted Equity Shares						
14,829,764 (March 31, 2016: 14,829,764, April 01, 2015: 14,829,764) Equity Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		28.94		28.94
Unquoted Equity Shares (Others)						
20 (March 31, 2016: 20, April 01, 2015: 20) Shares of ₹ 10/- each fully paid up in Asian Refractories Limited (under liquidation)	((200))		((200))		((200))	
25 (March 31, 2016: 25, April 01, 2015: 25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	((144))		((144))		((144))	
Nil (March31, 2016: Nil, April 01, 2015: 49,290) Shares of ₹ 10/- each fully paid up in Dalmia Electrodyne Technologies (P) Limited.	–		–		1.75	
250 (March 31, 2016: 250, April 01, 2015: 250) Shares of ₹ 10/- each fully paid up in Haryana Financial Corporation	((2500))		((2500))		((2500))	
	–		–		1.75	
Less: Provision for diminution in value of Investments	–	–	–	–	1.75	–
		874.25		**868.49**		**247.91**
Aggregate book value of quoted investments		28.94		28.94		28.94
Aggregate market value of quoted investments		257.30		147.63		25.80
Aggregate book value of unquoted investments		845.31		839.55		218.97
Aggregate amount of impairment in value of investments		–		–		–

6. Financial assets

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Investments			
Fair Value through Profit and Loss			
A. Venture Capital Fund (Unquoted)			
1,188 (March 31, 2016: 1,188, April 01, 2015: 1,188) Units of ₹ 60,430/- (Mar 31, 2016: ₹79,930/-, April 01, 2015: 86,750) each fully paid up in Urban Infrastructure Opportunities Fund	4.81	8.99	12.14
At amortised cost			
B. Tax free Bonds (quoted)			
8.30% NHAI tax free bonds	0.25	0.25	0.25
Total	**5.06**	**9.24**	**12.39**
Aggregate book value of quoted investments	0.25	0.25	0.25
Aggregate market value of quoted investments	0.29	0.29	0.28
Aggregate book value of unquoted investments	4.81	8.99	12.14
(ii) Loans			
(Considered good and unsecured unless otherwise stated)			
Loans and advances to:			
Employees*	0.79	0.81	0.78
Others	26.76	27.08	29.14
	27.55	**27.89**	**29.92**
* Due from officers ₹ 0.79 Crore (31 March 2016: ₹ 0.81 Crore, April 01, 2015: 0.78 Crore)			
(iii) Other financial assets			
(Considered good and unsecured unless otherwise stated)			
Security deposit made	2.00	2.07	0.61
Deposit with original maturity of more than 12 months (pledged with bank)	–	1.99	–
	2.00	**4.06**	**0.61**

Break up of financial assets carried at amortised cost

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investments	0.25	0.25	0.25
Employee loans	0.79	0.81	0.78
Other loans	26.76	27.08	29.14
Security Deposits	2.00	2.07	0.61
Deposit with original maturity of more than 12 months	–	1.99	–
Total financial assets carried at amortised cost	29.80	32.20	30.78

7. Other non-current assets

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Considered good and unsecured unless otherwise stated)			
Advances other than capital advance			
Advances to related parties	7.32	7.38	7.32
Prepayments	2.17	0.43	0.45
Other advances			
Advance Income Tax (net of provision for tax March 31, 2017; Rs.50.32, March 31, 2016; Rs. 32.53, April 01, 2015 ; Rs.11.93)	7.27	26.33	25.12
	16.76	**34.14**	**32.89**

Notes to the financial statements for the year ended March 31, 2017

8. Financial assets

(i) Investments (₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
At fair value through profit and loss						
Units of Mutual Funds (Quoted)						
Debt based schemes		44.24		41.91		190.65
Quoted Equity Shares						
5,20,400 (March 31, 2016: 5,20,400, April 01, 2015: 5,20,400) Shares of ₹ 1/- each fully paid up in The Ramco Cements Limited	35.00		20.81		15.88	
50,000 (March 31, 2016: 50,000, April 01, 2015: 50,000) Shares of ₹ 10/- each fully paid up in Poddar Pigments Limited.	1.33		0.74		0.62	
12,900 (March 31, 2016: 12,900, April 01, 2015: 12,900) Shares of ₹ 10/- each fully paid up in Reliance Industries Limited	1.70		1.35		1.07	
		38.03		22.90		17.57
Total		**82.27**		**64.81**		**208.22**
Aggregate book value of quoted investments		82.27		64.81		208.22
Aggregate market value of quoted investments		82.27		64.81		208.22
Aggregate book value of unquoted investments		–		–		–

(ii) Trade Receivables (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables	0.25	0.63	1.12
Receivables from other related parties (Note 30)	12.81	35.94	27.23
Total Trade receivables	**13.06**	**36.57**	**28.35**
Break-up for security details :			
Trade receivables			
Unsecured, considered good	13.06	36.57	28.35
Doubtful	0.08	0.06	–
	13.14	**36.63**	**28.35**
Impairment Allowance (allowance for bad and doubtful debts)			
Doubtful	0.08	0.06	–
	0.08	**0.06**	**–**
Total Trade receivables	**13.06**	**36.57**	**28.35**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(iii) Cash and cash equivalents (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks :			
- On current accounts	2.44	1.33	4.41
Cash on hand	0.04	0.04	0.07
Cheques on hand	0.11	0.59	3.01
	2.59	**1.96**	**7.49**

(iv) Bank balance other than (iii) above (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks :			
- Un paid dividend account	1.78	3.66	1.17
	1.78	**3.66**	**1.17**

At 31 March 2017, the Company had available ₹ 15.00 Crore (31 March 2016: ₹ 15.00 Crore, 1 April 2015: ₹ Nil) of undrawn committed borrowing facilities.

8. Financial assets *(contd...)*

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks:			
– On current accounts	2.44	1.33	4.41
Cash on hand	0.04	0.04	0.07
Cheques on hand	0.11	0.59	3.01
	2.59	**1.96**	**7.49**

(v) Loans (Considered good and unsecured unless otherwise stated) (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans			
Employees*	1.49	1.28	1.13
Related parties (Note 30)	471.85	439.19	34.00
Others	29.90	40.00	40.00
	503.24	**480.47**	**75.13**

* Due from officers ₹ 1.49 Crore (31 March 2016: ₹ 1.28 Crore, April 01, 2015: 1.13 Crore)

(vi) Other financial assets (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Considered good and unsecured unless otherwise stated)			
Security deposit made	0.02	–	–
Interest Receivable	39.83	6.24	2.48
	39.85	**6.24**	**2.48**

Break up of financial assets carried at amortised cost (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees	1.49	1.28	1.13
Loans to related parties	471.85	439.19	34.00
Loans to others	29.90	40.00	40.00
Trade receivable	13.06	36.57	28.35
Cash and cash equivalents	4.37	5.62	8.66
Security deposit made	0.02	–	–
Interest Receivable	39.83	6.24	2.48
	560.52	**528.90**	**114.62**

Break up of financial assets carried at fair value through profit or loss (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment - Mutual Funds	44.24	41.91	190.65
Investment - Quoted equity shares	38.03	22.90	17.57
	82.27	**64.81**	**208.22**

9. Other current assets (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances other than capital advance			
Advances			
Related parties	–	–	0.07
Others	7.34	1.56	1.21
Prepayments	1.04	0.66	0.40
Deposits and Balances with Government Departments and other authorities	1.13	1.13	0.15
	9.51	**3.35**	**1.83**

Notes to the financial statements for the year ended March 31, 2017

10. Equity Share Capital

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised :			
100,000,000 (March 31, 2016: 1,00,000,000, April 01, 2015: 1,00,000,000) Equity shares of ₹ 2/- each	20.00	20.00	20.00
	20.00	**20.00**	**20.00**
Issued, Subscribed and Fully Paid Up :			
8,89,65,803 (March 31, 2016: 8,87,93,303, April 01, 2015: 8,11,89,303) Equity Shares of ₹ 2/- each	17.79	17.76	16.24
	17.79	**17.76**	**16.24**

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	88,793,303	17.76	81,189,303	16.24	81,189,303	16.24
Add : Issued during the year	172,500	0.03	7,604,000	1.52	–	–
At the end of the year	88,965,803	17.79	88,793,303	17.76	81,189,303	16.24

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

Out of total equity share capital 75,00,000 equity shares of Rs 2 each allotted on preferential basis in accordance with the SEBI ICDR Regulations and other applicable provisions of the companies Act, 2013 were subject to lock in period of 1 year from the date of receipt of trading approval. The lock in period expires on 06th April 2017.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date

	During a period of 5 years up to 31 March 17	During a period of 5 years up to 31 Mar 16	During a period of 5 years up to 01 Apr 15
	No. of Shares	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	–	–	80,939,303
Shares issued as consideration for purchase of shares of Dalmia Cement (Bharat) Limited without payment being received in cash	7,500,000	7,500,000	–

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

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	19,416,527	21.82%	17,887,537	20.15%	17,887,537	22.03%
Shree Nirman Limited	7,761,010	8.72%	7,753,890	8.73%	7,753,890	9.55%
KKR Mauritius Cements Investments Limited	7,500,000	8.43%	7,500,000	8.45%	–	–
Sita Investment Company Limited	6,643,560	7.47%	5,876,800	6.62%	5,876,800	7.24%
Ankita Pratisthan Limited	6,406,270	7.20%	5,829,070	6.56%	5,829,070	7.18%

11. Other equity

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee stock option outstanding			
Opening Balance as per last financial statements	5.48	2.89	-
Add: Addition during the year	5.52	2.59	2.89
Closing Balance	**11.00**	**5.48**	**2.89**
Business Restructuring Reserve			
Opening Balance as per last financial statements	469.69	469.69	469.69
Closing Balance	**469.69**	**469.69**	**469.69**
Securities Premium Reserve			
Opening Balance as per last financial statements	618.81	-	-
Add: Addition during the year	3.66	618.81	-
Closing Balance	**622.47**	**618.81**	**-**
General Reserve			
Opening Balance as per last financial statements	17.31	17.31	14.80
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-	2.51
Closing Balance	**17.31**	**17.31**	**17.31**
Retained earnings			
Balance as per last financial statements	192.79	161.09	
Add: Profit for the year	63.37	62.48	
	256.16	223.57	
Add: Provision for dividend distribution tax written back	-	1.64	
Less: Appropriations			
Dividend paid	-	12.18	
Interim Dividend	-	17.76	
Dividend distribution tax	-	2.97	
Total Appropriations	-	32.91	
Net Surplus in the statement of Profit and Loss	**256.16**	**192.30**	
Items of other comprehensive income recognised directly in retained earnings			
Remeasurement of post employment benefit obligation, net of tax	(2.46)	0.49	
	253.70	**192.79**	
Total Other Equity	**1,374.17**	**1,304.08**	
Distribution made and proposed			
Cash dividends on equity shares paid :			
Final dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: Rs. 2.00 Per share, April 01, 2015: Rs. Nil Per share)	-	12.18	-
Interim dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: Rs. 2.00 Per share, April 01, 2015: Rs. Nil Per share)	-	17.76	-
	-	**29.94**	**-**
Proposed dividends on equity shares:			
Proposed dividend for the year ended on March 31, 2017: Rs. 2.20 per share (March 31, 2016 : Rs. Nil per share, April 1, 2015 : Rs. 1.50 per share)	19.57	-	12.18
	19.57	**-**	**12.18**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2017.

Notes to the financial statements for the year ended March 31, 2017

12. Financial liabilities

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(i) **Borrowings**						
Secured						
Rupee term loan from bank	–		74.09		–	
Less: Shown in current maturities of long term borrowings	–	–	7.00	67.09	–	–
Obligations under finance lease (Note 27)		1.85		1.92		–
		1.85		**69.01**		**–**

Nil (March 31, 2016: ₹74.09 Cr, April 01, 2015: Nil) are secured by a first Pari Passu charge on all movable fixed assets, equitable mortgage on all immovable fixed assets of the Company and exclusive charge by way of hypothecation on receivables under management contracts with group companies at base rate (Presently 10.65%) (Effective interest rate- 11.15%). It is prepaid in October 2016.

Financial liabilities carried at amortised cost						
Borrowings		1.85		69.01		–
		1.85		**69.01**		**–**

13. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for leave encashment	3.85	3.19	3.08
Provision for employee benefits	–	12.88	7.22
	3.85	**16.07**	**10.30**

14. Income tax

(i) The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

(₹ Crore)

	March 31, 2017	March 31, 2016
Statement of profit and loss:		
Current income tax charge	29.67	20.54
Deferred Tax charge / (Credit)	1.19	(2.73)
Prior year tax charge	–	0.74
Income tax expense reported in the statement of profit or loss	**30.86**	**18.55**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans		
Income tax related to items recognized in OCI during the year	1.30	(0.26)
	1.30	**(0.26)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016:

(₹ Crore)

	March 31, 2017	March 31, 2016
Accounting Profit before tax	94.23	81.03
Applicable tax rate	34.608%	34.608%
Computed Tax Expense	**32.61**	**28.04**
Adjustments in respect of current income tax of previous years	–	0.74
Expense considered for tax purpose	–	(0.37)
Dividend income/capital gains exempt from tax	(3.65)	(10.90)
Non-deductible expenses for tax purposes	1.90	1.04
Disallowance under rule 14A	–	–
Income tax reported in Statement of Profit and Loss	**30.86**	**18.55**

14. Income tax *(contd...)*

(iii) Deferred tax:

Deferred tax relates to the following:

	Balance Sheet			As per Profit & Loss	
	As on March 31, 2017	As on March 31, 2016	As on April 01, 2015	March 31, 2017	March 31, 2016
Property Plant and equipment	22.09	22.98	23.19	(0.89)	(0.21)
Others	2.53	1.38	3.30	1.15	(1.92)
Less:					
Expenses allowable for tax purpose when paid	0.95	0.61	0.27	(0.34)	(0.34)
Provision for doubtful debts and advances	0.03			(0.03)	–
Deferred tax expense/(income)				**(0.11)**	**(2.47)**
Net deferred tax assets/(liabilities)	**23.64**	**23.75**	**26.22**		

(₹ Crore)

	As on March 31, 2017	As on March 31, 2016
Reconciliation of deferred tax (assets)/ liabilities (net):		
Opening balance as of 1 April	23.75	26.22
Tax income/(expense) during the period recognised in profit or loss	(0.90)	(1.57)
Tax income/(expense) during the period recognised in OCI	0.79	(0.90)
Closing balance as at 31 March	**23.64**	**23.75**

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

15. Financial liabilities

(i) Borrowings (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Commercial Paper	197.65	147.85	–
	197.65	**147.85**	**–**

Commercial papers referred above are payable in next three months and carry interest rate in the range of 6.80% to 7.10% per annum.

(ii) Trade payables (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues of micro and small enterprises	–	–	–
Total outstanding dues of creditors other than micro and small enterprises *	20.87	20.07	11.51
	20.87	**20.07**	**11.51**

* Trade Payables includes due to related parties ₹ Nil (31 March, 2016: ₹ Nil, 1 April, 2015 : ₹ Nil)

(iii) Other financial liabilities (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long term borrowings	–	7.00	–
Interest accrued but not due on borrowings	–	0.02	–
Security deposit received	–	–	0.08
Directors' Commission payable	0.47	0.40	0.21
Unclaimed Dividend	1.78	3.66	1.17
Capital crediotrs	0.15	0.21	–
	2.40	**11.29**	**1.46**

Notes to the financial statements for the year ended March 31, 2017

15. Financial liabilities *(contd...)*

Financial liabilities carried at amortised cost

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	20.87	20.07	11.51
Borrowings	197.65	147.85	–
Current maturities of long term borrowings	–	7.00	–
Interest accrued but not due on borrowings	–	0.02	–
Security deposit received	–	–	0.08
Directors' Commission payable	0.47	0.40	0.21
Unclaimed Dividend*	1.78	3.66	1.17
Capital crediotrs	0.15	0.21	–
	220.92	**179.21**	**12.97**

* Not due for deposit in Investor Education & Protection Fund.

16. Other current liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customers	0.30	–	–
Other liabilities			
- Statutory dues	6.90	4.66	2.55
- Others	–	1.98	–
	7.20	**6.64**	**2.55**

17. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for leave encashment	2.18	2.02	1.50
Provision for employee benefits	8.64	6.03	5.79
	10.82	**8.05**	**7.29**

18. Revenue from Operations

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Management services	201.29	186.04
Brand Fee	20.84	18.07
Other Operating revenue	0.38	0.20
	222.51	**204.31**

19. Other Income

(₹ Crore)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Dividend income				
from non-current Investments from Subsidiary company		–		23.43
from non-current Investments (other than Subsidiary)		–		0.89
from current Investments		0.01		0.29
Interest Income		49.25		11.91
Profit on sale/ fair value gain/ (loss) of Investments	15.56		14.59	
Less: Loss on sale of current Investments	0.12	15.44	0.02	14.57
Miscellaneous Receipts		0.23		1.73
		64.93		**52.82**

20. Employee benefits expense

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Wages and Bonus	100.81	98.09
Contribution to Provident and Other Funds	1.10	4.61
Expenses on Employees Stock Options Scheme (net)	1.36	1.29
Workmen and Staff Welfare expenses	7.19	6.17
	110.46	**110.16**

21. Finance Costs

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- On term loans	4.05	0.22
- On short term borrowings	14.49	1.19
- Others	0.18	–
Other borrowing cost	2.75	0.61
	21.47	**2.02**

22. Other Expenses

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Repairs and Maintenance- Others	2.52	1.13
Rent	5.31	4.29
Professional Charges	8.67	15.76
Rates and Taxes	0.24	1.66
Travelling Expenses	6.75	6.18
Computer Expenses	10.48	6.02
Advertisement and Publicity	8.21	8.41
Charity and Donation	0.51	-
Corporate social responsibility expenses	0.81	0.88
Miscellaneous Expenses	12.42	15.23
	55.92	**59.56**

23. Earning Per Share

	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic EPS		
Net Profit for calculation of Basic EPS (₹ Crore)	63.37	62.48
Total number of equity shares outstanding at the end of the year	88,965,803	88,793,303
Weighted average number of equity shares in calculating Basic EPS	88,853,874	81,693,079
Basic EPS (₹)	7.13	7.65
Diluted EPS		
Net Profit for calculation of Diluted EPS (₹ Crore)	63.37	62.48
Weighted average number of equity shares	88,853,874	81,693,079
Add: Weighted average number of potential equity shares	688,419	493,660
Weighted average number of equity shares for calculation of diluted EPS	89,542,293	82,186,739
Diluted EPS (₹)	7.07	7.60

Notes to the financial statements for the year ended March 31, 2017

24. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 26. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income. The Company has tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has created deferred tax asset on other deductible temporary differences, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Further details on taxes are disclosed in note 14.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 25.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 31 and 32 for further disclosures.

Property, plant and equipment

The Company measures certain property, plant and equipment at fair values as deemed cost with changes in fair value being recognised in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Company engaged an independent valuation specialist to assess fair value at April 1, 2015 for revalued property, plant and equipment. Property, plant and equipment were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

If the fair value of the property, plant and equipment had been 10% higher or lower than management's estimate, the profit before tax would have been decreased/ increased respectively by ₹ 0.22 (March 31, 2016: ₹ 0.22) due to increase/ decrease in depreciation.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognized for the years ended March 31, 2017 and March 31, 2016.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 8 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

25. Gratuity and Other Post Employment Benefit Plans

Gratuity

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

Provident Fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (₹)

Particulars	Gratuity (Funded)		PF (Funded)	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	1.33	0.99	3.04	2.80
Interest cost on benefit obligation	0.24	0.19	1.33	0.42
Net Benefit Expense	**1.57**	**1.18**	**4.37**	**3.22**

Notes to the financial statements for the year ended March 31, 2017

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2017 (₹ Crore)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2016 (1)	8.81	5.66	3.15	25.39	24.93	0.46
Service cost (2)	1.33	-	1.33	3.04	-	3.04
Net interest expense/ (income) (3)	0.66	0.42	0.24	3.30	1.97	1.33
Sub-total included in profit or loss (note 26) (2+3)=4	**1.99**	**0.42**	**1.57**	**6.34**	**1.97**	**4.37**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	–	0.09	(0.09)	–	1.33	(1.33)
(Gain)/loss from changes in demographic assumptions (6)	0.01	–	0.01	–	–	–
(Gain)/loss from changes in financial assumptions (7)	–	–	–	–	–	–
Experience (gains)/losses (8)	3.84	–	3.84	0.45	–	0.45
Sub-total included in OCI (5+6+7+8)= (9)	**3.85**	**0.09**	**3.76**	**0.45**	**1.33**	**(0.88)**
Contributions by employer (10)	-	0.03	(0.03)	-	3.04	(3.04)
Contribution by plan participation/ employees (11)	–	–	–	5.22	5.22	–
Settlements/ (Transfer in) (12)	–	–	–	13.54	13.54	–
Benefits paid (13)	(0.42)	(0.42)	–	(1.74)	(1.74)	–
Sub-total included in OCI (10+11+12+13)= (14)	**(0.42)**	**(0.39)**	**(0.03)**	**17.02**	**20.06**	**(3.04)**
March 31, 2017 (1+4+9+14)	**14.23**	**5.78**	**8.45**	**49.20**	**48.29**	**0.91**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2016 (₹ Crore)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)
April 1, 2016 (1)	8.59	5.82	2.77	17.10	16.77	0.33
Service cost (2)	0.99	–	0.99	2.80	–	2.80
Net interest expense/ (income) (3)	0.64	0.45	0.19	1.75	1.32	0.43
Sub-total included in profit or loss (note 26) (2+3)=4	**1.63**	**(0.45)**	**1.18**	**4.55**	**(1.32)**	**3.23**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	–	0.01	(0.01)	–	0.42	(0.42)
(Gain)/loss from changes in demographic assumptions (6)	–	–	–	–	–	–
(Gain)/loss from changes in financial assumptions (7)	0.11	–	0.11	–	–	–
Experience (gains)/losses (8)	(0.85)	–	(0.85)	0.13	–	0.13
Sub-total included in OCI (5+6+7+8)= (9)	**(0.74)**	**0.01**	**(0.75)**	**0.13**	**0.42**	**(0.29)**
Contributions by employer (10)	–	0.09	(0.09)	–	2.80	(2.80)
Contribution by plan participation/ employees (11)	–	–	–	4.17	4.18	(0.01)
Settlements/ (Transfer in) (12)	–	(0.04)	0.04	(0.03)	(0.03)	–
Benefits paid (13)	(0.67)	(0.67)	-	(0.53)	(0.53)	–
Sub-total included in OCI (10+11+12+13)= (14)	**(0.67)**	**(0.62)**	**(0.05)**	**3.61**	**(6.42)**	**(2.81)**
March 31, 2017 (1+4+9+14)	**8.81**	**5.66**	**3.15**	**25.39**	**24.93**	**0.46**

The Company expects to contribute ₹ 9.59 Crore (March 31, 2016: ₹ 6.11 Crore) to gratuity in 2017-18. The Company expects to contribute ₹ 3.19 Crore (March 31, 2016: ₹ 3.08 Crore) to PF in 2017-18.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:- (₹ Crore)

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:						
Insurance Company Products	5.78	5.66	5.79	–	–	–
Bank Balance	–	–	0.03	–	–	–
Government securities as defined under PF rules	–	–	–	48.29	24.93	16.77
Total	**5.78**	**5.66**	**5.82**	**48.29**	**24.93**	**16.77**

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

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
	%	%	%	%	%	%
Discount rate	7.50	7.50	7.75	6.89	7.89	7.90
Future salary increases	7.00	7.00	7.00	–	–	–
	Years	Years	Years			
Life expectation for	39.87	40.36	39.75	–	–	–
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 and March 31, 2016 is as shown below:

Gratuity Plan: (%)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	0.70	0.38	(0.61)	(0.33)	(0.62)	(0.32)	0.70	(0.35)
Impact on defined benefit obligation (Change in %)	4.90%	4.30%	(4.30%)	(3.70%)	(4.40%)	(3.60%)	4.90%	4.00%

PF: (₹ Crore)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	1.60	0.82	(0.62)	(0.35)	(0.61)	(0.32)	2.86	1.43
Impact on defined benefit obligation (Change in %)	3.30%	3.20%	(1.30%)	(1.40%)	(1.20%)	(1.20%)	5.80%	5.60%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (₹ Crore)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	8.03	3.83	7.21	6.01
Between 2 and 5 years	2.53	1.67	24.46	12.78
Between 5 and 10 years	3.52	2.07	18.06	9.55
Beyond 10 years	8.69	6.18	62.31	32.91
Total expected payments	**22.77**	**13.75**	**112.04**	**61.25**

Notes to the financial statements for the year ended March 31, 2017

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 4 years (March 31, 2016: 4 years) and for PF at the end of the reporting period is 4 years (March 31, 2016: 4 years).

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

26. Share – based payments

Under the senior executive plan, share options of the Company are granted to senior executives of the Company with more than 12 months of service. In all the cases, the exercise price of the share options is lower than the market price of the underlying shares on the date of grant. The share options vest if and when the Company achieve targeted share price and on achievement of individual performance by employees which will be vested over a period of 5 years.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (₹ Crore)

	March 31, 2017	March 31, 2016
Expense arising from equity-settled share-based payment transactions	1.36	1.29
Total expense arising from share-based payment transactions	**1.36**	**1.29**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	5,12,000	158.84	5,96,000	128.00
Granted during the year	–	–	86,000	267.15
Exercised during the year	(1,47,000)[1]	114.62	(86,000)[2]	105.50
Expired/ Lapsed during the year	(66,000)	105.50	(84,000)	105.50
Outstanding at the end of the year	2,99,000	192.35	5,12,000	158.84
Exercisable at the end of the year	–	–	–	–

[1] The weighted average share price at the date of exercise of these options is ₹ 1,935.77

[2] The weighted average share price at the date of exercise of these options is ₹ 713.28

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 4.57 years (March 31, 2016: 4.59 years, April 1, 2015: 4.88 years).

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2016: ₹ 479.29).

The range of exercise prices for options outstanding at the end of the year is ₹ 105.50 to ₹ 383.53 (March 31, 2016: ₹ 105.50 to ₹ 383.53, April 1, 2015: ₹ 105.50 to ₹ 217.23).

The following table list the inputs to the models used for the plan for the year ended March 31, 2017 and March 31, 2016:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (₹)	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

The following table list the inputs to the models used for the plan for the year ended April 1, 2015:-

	Grant 1	Grant 2
Dividend yield (%)	1.42	0.40
Volatility (%)	42.76	48.58
Risk–free interest rate (%)	8.16	7.71
Average expected life of options (years)	4.50	4.53
Weighted average share price (₹)	105.95	502.05
Date of grant	May 18, 2012	January 29, 2015
Model used	Black Scholes Model	Black Scholes Model

27. Finance Lease

The Company has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(₹ Crore)

	March 31, 2017		March 31, 2016		April 01, 2015	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	1.34	1.12	1.34	1.24	–	–
After one year but not more than five years	3.91	2.70	5.25	3.82	–	–
more than five years	–	–	–	–	–	–
Total minimum lease payments	5.25	3.82	6.59	5.06	-	-
Less: amounts representing finance charges	(1.43)	–	(1.53)	–	–	–
Present value of minimum lease payments	3.82	3.82	5.06	5.06	–	–

28. Capital and Other commitments

(₹ Crore)

	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.50	0.38

29. Contingent liabilities (Not provided for) in respect of:

(₹ Crore)

S. No.	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a)	Claims against the Company not acknowledged as debts	–	–	–
b)	Guarantee/ Counter Guarantees given to banks on account of loan given by the banks to Bodies Corporate (Subsidiary Company)	75.00	275.00	–

Notes to the financial statements for the year ended March 31, 2017

30. Related Party transactions

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

Related Parties where control exists:-

(i) Subsidiaries of the Company

Dalmia Cement (Bharat) Limited, Dalmia Power Limited, Kanika Investment Limited, Adwetha Cement Holdings Limited (w.e.f. 05-01-2016).

(ii) Step down Subsidiaries of Company

Adhunik MSP Cement (Assam) Limited, Adhunik Cement Limited, Arjuna Brokers & Minerals Limited, Calcom Cement India Limited, D.I. Properties Limited, Dalmia Cement Bharat Holdings Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Golden Hills Resort Private Limited, Hemshila Properties Limited, Ishita Properties Limited, Jayevijay Agro farms Pvt Ltd, OCL India Limited, Rajputana Properties Private Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Bangaru Kamakshi Amman Agro Farms Private Limited (w.e.f. 29-04-15), Alsthom Industries Limited (w.e.f. March 31, 2017), Cosmos Cements Limited, Sutnga Mines Private Limited, Vinay Cements Limited, RCL Cements Limited, SCL Cements Limited, DCB Power Ventures Limited, Shri Rangam Securities & Holdings Limited, Dalmia Cement East Limited (formerly known as Bokaro Jaypee Cement Ltd), Odisha Cement Limited, OCL China Ltd., OCL Global Ltd,

Related parties transactions have taken place during the year:

(i) Associate of the Subsidiaries

Dalmia Renewables Energy Limited (w.e.f. February 06, 2017)

(ii) Joint Ventures of the Subsidiairy and step down Subsidiary Company

Khappa Coal Company Private Limited, Radhikapur (West) Coal Mining Private Limited

(iii) Key Management Personnel of the Company

Shri Jai Hari Dalmia – Managing Director, Shri Yadu Hari Dalmia-Managing Director, Shri Gautam Dalmia- Director, Shri Puneet Yadu Dalmia – Director, Shri Jayesh Doshi- Whole time Director and Nidhi Bisaria- Company Secretary

(iv) Enterprises controlled by the Key Management Personnel of the Company

Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Glow Home Technologies (P) Limited.

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

(₹ Crore)

Name of the Related Party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Dividend received	Interest Income	Dividend paid	Shares purchased	Guarantee given	Director's Sitting Fees	Managerial Remuneration	Loans and advances given
Dalmia Cement (Bharat)	Subsidiary	-	0.93	0.67	87.31	-	-	-	-	-	-	-	-
Limited		-	(2.67)	(0.38)	(98.76)	(23.43)	-	-	-	-	-	-	-
Dalmia Cement East Limited	Step- down	-	-	0.05	6.80	-	-	-	-	-	-	-	-
	Subsidiary	-	(0.17)	-	(5.02)	-	-	-	-	-	-	-	-
Dalmia refractories limited	KMP Controlled	-	-	0.01	2.42	-	-	-	-	-	-	-	-
		-	-	-	(1.48)	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and	KMP Controlled	1.68	0.14	0.25	14.85	-	-	-	-	-	-	-	-
Industries Limited		(2.33)	(0.14)	(0.17)	(10.54)	(0.89)	(3.14)	(0.33)	-	-	-	-	-
OCL India Limited	Step- down	-	0.03	0.03	86.16	-	-	-	-	-	-	-	-
	Subsidiary	-	-	-	(59.24)	-	-	-	-	-	-	-	-
Adhunik Cement Limited	Step- down	-	0.10	0.13	7.20	-	0.36	-	-	-	-	-	-
	Subsidiary	-	-	-	(9.22)	-	(0.54)	-	-	-	-	-	-
Calcom Cement India Limited	Step- down	-	0.01	0.05	7.79	-	0.49	-	-	-	-	-	-
	Subsidiary	-	(0.02)	-	(17.46)	-	(1.02)	-	-	-	-	-	-
Adwetha Cement Holdings	Subsidiary	-	-	-	-	-	38.62	-	-	-	-	-	231.82
Limited		-	-	-	-	-	(2.60)	-	-	-	-	-	(467.51)
Dalmia Power Limited	Subsidiary	-	-	-	-	-	2.72	-	-	-	-	-	65.56
		-	-	-	-	-	-	-	(0.05)	(275.00)	-	-	(0.06)
DCB Power Ventures Limited	Step- down	-	-	-	-	-	0.01	-	-	-	-	-	18.00
	Subsidiary	-	-	-	(1.86)	-	-	-	-	-	-	-	-
Glow Home Technologies (P)	KMP Controlled	0.04	-	-	-	-	-	-	-	-	-	-	-
Limited		-	-	-	-	-	-	-	-	-	-	-	-
Shri Gautam Dalmia	Key Management	-	-	-	-	-	-	-	-	-	0.03	-	-
	Personnel	-	-	-	-	-	-	-	-	-	(0.03)	-	-
Shri J.H.Dalmia	Key Management	-	-	-	-	-	-	-	-	-	-	2.91	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(2.71)	-
Shri Puneet Dalmia	Key Management	-	-	-	-	-	-	-	-	-	0.03	-	-
	Personnel	-	-	-	-	-	-	-	-	-	(0.03)	-	-
Shri Y.H.Dalmia	Key Management	-	-	-	-	-	-	-	-	-	-	2.81	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(3.84)	-
Shri Jayesh Doshi	Key Management	-	-	-	-	-	-	-	-	-	-	5.61	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(2.89)	-
Smt Nidhi Bisaria	Key Management	-	-	-	-	-	-	-	-	-	-	0.18	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(0.13)	-
Total		**1.72**	**1.21**	**1.19**	**212.53**	**-**	**42.20**	**-**	**-**	**-**	**0.06**	**11.51**	**315.38**
		(2.33)	**(3.00)**	**(0.55)**	**(203.58)**	**(24.32)**	**(7.30)**	**(0.33)**	**(0.05)**	**(275.00)**	**(0.06)**	**(9.57)**	**(467.57)**

All figures in ( ) represent amount for the year ended March 31, 2016

Notes to the financial statements for the year ended March 31, 2017

C) Balance outstanding at year end:

(₹ Crore)

Name of Related Party	Nature of related party	Amounts payable	Loans receivable	Interest receivable	Trade receivable	Guarantee given
Adwetha Cement Holdings Limited	Subsidiary	-	421.01	37.09	-	75.00
		-	(439.19)	(2.34)	-	-
		-	-	-	-	-
Adhunik Cement Limited	Step down Subsidiary	-	-	-	0.07	-
		-	-	(0.84)	(2.81)	-
		-	-	((0.35))	((4.06))	-
Calcom Cement India Limited	Step down Subsidiary	0.49	-	-	-	-
		-	-	(0.98)	(4.46)	-
		-	-	((0.05))	((4.54))	-
Dalmia Bharat Cements Holdings Limited	Step down Subsidiary	-	-	-	4.48	-
		-	-	-	(4.48)	-
		-	-	-	((4.48))	-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-	0.72	-
		-	-	-	(1.70)	-
		((0.02))	((34.00))	-	((0.49))	-
Dalmia Cement (Bharat) Limted	Subsidiary	-	-	-	0.19	-
		-	-	-	(13.12)	-
		-	-	-	((2.34))	-
Dalmia Cement East Limited	Step down Subsidiary	-	-	-	0.37	-
		-	-	-	(0.37)	-
		-	-	-	((0.19))	-
Dalmia Power Limited	Subsidiary	-	40.16	2.45	-	-
		-	(7.38)	-	-	(275.00)
		-	((7.32))	-	-	-
Dalmia Refractories Limited	KMP Controlled	-	-	0.27	0.19	-
		-	-	(0.27)	(0.18)	-
		-	-	((0.27))	((0.41))	-
DCB Power Ventures Limited	Step down Subsidiary	-	18.00	0.01	-	-
		-	-	-	-	-
		-	-	-	((0.39))	-
DI Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Geetee Estaes Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Himshikhar Investment Limited	KMP Controlled	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Himshila Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-

C) Balance outstanding at year end:

(₹ Crore)

Name of Related Party	Nature of related party	Amounts payable	Loans receivable	Interest receivable	Trade receivable	Guarantee given
OCL India Limited	Step down Subsidiary	-	-	-	6.79	-
		-	-	-	(8.81)	-
		-	-	-	((10.25))	-
Sri Dhandauthapani Mines & Minerals Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	(0.01)	-
		-	-	-	((0.01))	-
Sri Madhusudana Mines & Properties Ltd	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Sri Rangam Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Sri Swaminatha Mines & Minerals Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Grand Total		0.49	479.17	39.82	12.81	75.00
		-	(446.57)	(4.43)	(35.94)	(275.00)
		((0.02))	((41.32))	((0.67))	((27.23))	-

All figures in ( ) represent balance outstanding as at March 31, 2016 and (( )) as at April 1, 2015

Investment with related parties are disclosed in note 5. Outstanding guarantee given on behalf of subsidiary is disclosed in note 30 (F).

Notes to the financial statements for the year ended March 31, 2017

D) Transactions with key management personnel

Compensation of key management personnel of the Company:- (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	8.82	7.35
Termination benefits	0.49	0.29
Post- employment gratuity	1.54	1.42
Share-based payment transactions	0.72	0.57
Total compensation paid to key management personnel	**11.57**	**9.63**

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

E) Directors' interests in the Senior Executive Plan

Share options held by executive members of the Board of Directors under the senior executive plan to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (₹)	March 31, 2017 Number outstanding	March 31, 2016 Number outstanding	April 1, 2015 Number outstanding
January 29, 2015	January 29, 2021	217.23	54,000	60,000	60,000
February 03, 2016	February 03, 2022	383.53	15,000	15,000	–
Total			**69,000**	**75,000**	**60,000**

F) Financial guarantees

Guarantee have been given by the Company as at year end against the loan outstanding amounting to ₹ 75.00 Crore (March 31, 2016: Nil, April 1, 2015: Nil) and Nil (March 31, 2016: ₹ 275.00 Crore, April 1, 2015: Nil) in the books of subsidiary Adwetha Cement Holdings Limited and Dalmia Power Limited respectively.

31. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ Crore)

Particulars	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
Financial assets carried at amortised cost						
Investment in tax free bonds	0.25	0.25	0.25	0.29	0.29	0.28
Loans and advances to employees	2.28	2.09	1.91	2.28	2.06	1.90
Security deposit	2.02	2.07	0.61	2.01	2.08	0.61
Deposit with original maturity of more than 12 months	–	1.99	–	–	1.99	–
Financial assets carried at fair value through profit or loss						
Investment in venture capital fund	4.81	8.99	12.14	4.81	8.99	12.14
Investment in other equity shares	38.03	22.90	17.57	38.03	22.90	17.57
Investment in mutual funds	44.24	41.91	190.65	44.24	41.91	190.65
Financial Liabilities						
Financial liabilities carried at amortised cost						
Borrowings (including current maturity of long term borrowings)	199.50	223.86	–	199.50	223.55	

The Company assessed that investment in tax free bonds, trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, interest accrued but not due on borrowings, director's commission payable, capital creditors, are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

Notes to the financial statements for the year ended March 31, 2017

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Loan to employees	DCF method	Discount for counter party credit risk	**March 31, 2017:** 10.65% **March 31, 2016:** 10.65% **April 1, 2015:** 10%	**March 31, 2017:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.03 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.03 Crore **March 31, 2016:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.03 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.03 Crore **April 1, 2015:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.02 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.02 Crore
Security deposit given	DCF method	Discount for counter party credit risk	**March 31, 2017:** 10.65% **March 31, 2016:** 10.65% **April 1, 2015:** 10%	**March 31, 2017:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.01 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.01 Crore **March 31, 2016:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ Nil and decrease in discount rate would result in increase in fair value by ₹ Nil **April 1, 2015:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.01 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.01 Crore
Borrowings	DCF method	Incremental rate on borrowings	**March 31, 2017:** Nil **March 31, 2016:** 10.65% **April 1, 2015:** Nil	**March 31, 2017:** Nil **March 31, 2016:** Change in discount rate by 0.50%: Increase in the WACC would result in decrease in fair value by ₹ 0.24 Crore and decrease in WACC would result in increase in fair value by ₹ 0.24 Crore **April 01, 2015:** Nil

32. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017: (₹ Crore)

Particulars	Carrying Value March 31, 2017	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2.28	–	–	
Security deposit	2.02	–	–	
Investment in tax free bonds	0.25	0.29	–	–
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	199.50	–	–	199.50
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	4.81	–	4.81	–
Investment in other equity shares	38.03	38.03	–	–
Investment in mutual funds	44.24	44.24	–	–

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016: (₹ Crore)

Particulars	Carrying Value March 31, 2016	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2.09	–	–	
Security deposit	2.07	–	–	
Investment in tax free bonds	0.25	0.29	–	–
Deposit with original maturity of more than 12 months	1.99	–	–	1.99
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	223.86	–	–	223.55
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	8.99	–	8.99	–
Investment in other equity shares	22.90	22.90	–	–
Investment in mutual funds	41.91	41.91	–	–

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015: (₹ Crore)

Particulars	Carrying Value April 01, 2015	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	1.91	–	–	1.91
Security deposit	0.61	–	–	0.61
Investment in tax free bonds	0.25	0.28	–	–
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	12.14	–	12.14	–
Investment in other equity shares	17.57	17.57	–	–
Investment in mutual funds	190.65	190.65	–	–

There have been no transfers between Level 1 and Level 2 during the year ended April 1, 2015.

33. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ Crore)

Particulars	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2017		
INR	+ 50 BPS	(0.22)
INR	- 50 BPS	0.17
March 31, 2016		
INR	+ 50 BPS	(0.01)
INR	- 50 BPS	0.01

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

Credit risk

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

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 (ii). The Company 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.

(₹ Crore)

Ageing	Upto 15 days	From 16 to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	More than 180 days	Total
As at March 31, 2017							
Gross carrying amount (A)	8.35	-	-	-	0.06	4.73	13.14
Expected Credit Losses (B)	-	-	-	-	-	.08	0.08
Net Carrying Amount (A-B)	**8.35**	**-**	**-**	**-**	**0.06**	**4.65**	**13.06**
As at March 31, 2016							
Gross carrying amount (A)	26.84	-	2.13	1.48	0.37	5.81	36.63
Expected Credit Losses (B)	-	-	-	-	-	-	0.06
Net Carrying Amount (A-B)	**26.84**	**-**	**2.13**	**1.48**	**0.37**	**5.81**	**36.57**
As at April 1, 2015							
Gross carrying amount (A)	19.51	-	7.35	0.23	0.11	1.15	28.35
Expected Credit Losses (B)	-	-	-	-	-	-	-
Net Carrying Amount (A-B)	**19.51**	**-**	**7.35**	**0.23**	**0.11**	**1.15**	**28.35**

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April

Notes to the financial statements for the year ended March 31, 2017

1, 2015 is the carrying amounts as illustrated in note 31. The Company's maximum exposure relating to financial instruments is noted in note 31 and the liquidity table below.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

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

(₹ Crore)

	Less than 1 Year	1 to 3 Years	3 to 5 years	More than 5 years	Total
As at March 31, 2017					
Borrowings	200.14	1.71	–	–	201.85
Trade payables	20.87	–	–	–	20.87
Other financial liabilities	2.40	–	–	–	2.40
As at March 31, 2016					
Borrowings	157.08	44.95	0.90	24.00	226.93
Trade payables	20.07	–	–	–	20.07
Other payables	4.29	–	–	–	4.29
As at April 1, 2015					
Trade payables	11.51	–	–	–	11.51
Other payables	1.46	–	–	–	1.46

34. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Long term borrowing	1.85	69.01	–
Short term borrowing	197.65	147.85	–
Current maturities of long term borrowings	–	7.00	–
Less : Cash and Cash Equivalents	2.59	1.96	7.49
Less : Current Investments	82.27	64.81	208.22
Net Debt	**114.64**	**157.09**	**(215.71)**
Equity	1,391.96	1,321.84	667.22
Capital and net debt	**1,506.60**	**1,478.93**	**451.51**
Gearing ratio	8%	11%	-48%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

Notes to the financial statements for the year ended March 31, 2017

35. Remuneration paid to auditors (included in Miscellaneous Expenses):

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
A. Statutory Auditors		
As an auditor		
i) Audit Fee	0.06	0.06
ii) Tax Audit Fees	0.01	0.01
iii) Other services	0.01	0.02
B. In other capacity		
i) Certification Fee	0.01	0.01
Reimbursement of expenses	0.01	–

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

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	–	–
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	–	–
Total	–	–

37. Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and Investments by the Loanee in the shares of the Company as required by clause 34 (3) of SEBI (listing obligations and disclosure requirements) Regulation 2015:-

(₹ Crore)

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year
Loans and Advances to subsidiaries						
Dalmia Power Limited	40.16	65.62	7.38	7.38	7.32	7.32
Adwetha Cement Holdings Limited	421.01	452.68	439.19	439.19	–	–
DCB Power Ventures Limited	18.00	18.00	–	–	–	–

Note: Investment in subsidiaries and associates are disclosed in note 5.

There were following additions to investments in subsidiaries during the year.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Dalmia Cement (Bharat) Limited	5.76	620.53
Adwetha Cement Holdings Limited	–	0.05

Notes to the financial statements for the year ended March 31, 2017

38. The Company has given loans and capital advances to various companies. Loans/ advances outstanding as at year end is given in below mentioned table along with purpose of the loan/ advances.

(₹ Crore)

Name of company	Amount outstanding		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Short Term Loan given for general corporate purpose			
Rewas Ports Limited (10% p.a.)	29.90	40.00	40.00
Dalmia Bharat Sugar and Industries Limited (10% p.a.)	–	–	34.00
Adwetha Cement Holdings Limited (9% p.a.)	421.01	439.19	–
DCB Power Venture Limited (9% p.a.)	18.00	–	–
Dalmia Power Limited (9% p.a.)	32.84	–	–
Long term Loan given for general corporate purpose			
Dalmia Power Limited (9% p.a.)	7.32	7.38	7.32
Long term Loan given for employee welfare			
DBL Employee Welfare Trust (Interest free)	26.76	27.08	27.32

39. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Mauritius Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on 15th Jan, 2016 and by its shareholders in their EGM held on 11th Feb, 2016

The Board of the Company vide its meeting held on 20th Apr, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on 21st Apr, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of ₹ 588 Crore has been received by the Company and its subsidiary, from KKR on 28th Apr, 2017. The purchase price of equity shareholding of DCBL in the books of Company and its subsidiary would get reduced by such amounts received from KKR. Appropriate accounting treatment for the same shall be accorded in FY 2017-18 as required under the applicable accounting standards

40. Board of directors of the Company at their meeting held on 5 November 2016 had approved Scheme of Arrangement and Amalgamation amongst Odisha Cement Limited, Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited ("Scheme 4"), which is inter alia conditional upon the effectiveness of Schemes 1 and 2, subject to approval of shareholders, creditors and other applicable regulatory authorities. Scheme 4 has been approved by the stock exchanges on 5 May 2017.

41. The Company has spent amount on corporate social responsibility expenses as below:

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Gross amount required to be spent during the year	0.81	0.70
Amount spent during the year		
- Construction/acquisition of any asset	–	–
- On purposes other than above	0.81	0.88

42. Specified bank note transactions

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

(₹ Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.09	0.02	0.00
(+) Permitted receipts	–	0.08	0.08
(-) Permitted payments	–	–	–
(-) Amount deposited in Banks	(0.09)	(0.06)	(0.15)
Closing cash in hand as on 30.12.2016	–	0.04	0.04

43. Segment Information

Management service charge is the only identifiable operating segment of the Company, Further, the entire sales of the Company are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 ('Operating Segments')

44. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

I) Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to fair value on its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be used for intangible assets covered by Ind-AS 38.

The Company has elected to consider fair value of its property, plant and equipment other than vehicles, furniture and fixtures, computers and office equipment's as its deemed cost on the date of transition to Ind AS. The Company has done a retrospective valuation for these assets. The Company has elected to measure all its intangible assets at their previous GAAP carrying value.

b) Investments in subsidiaries, associates and joint ventures

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries, Joint ventures and associates on the date of transition to Ind AS its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

c) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2015. Ind AS 101 provides the option that the Indian GAAP carrying amounts of assets and liabilities that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

Business combinations occurring prior to the transition date have not been restated.

d) Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Share based payments

Notes to the financial statements for the year ended March 31, 2017

II) Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2015

(₹ Crore)

Particulars	Foot Note	Opening Balance Sheet as at April 01, 2015		
		IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a & b	6.35	71.08	77.43
Other intangible assets		0.73	–	0.73
Investments	k	247.40	0.51	247.91
Financial assets				
(i) Investments	g	10.64	1.75	12.39
(ii) Loans	j	30.13	(0.21)	29.92
(iii) Other financial assets	c	0.70	(0.09)	0.61
Other non-current assets	c & j	32.44	0.45	32.89
		328.39	**73.49**	**401.88**
Current Assets				
Financial assets				
(i) Investments	e & f	185.20	23.02	208.22
(ii) Trade receivables		28.35	–	28.35
(iii) Cash & cash equivalents		7.49	–	7.49
(iv) Bank balance other than (iii) above		1.17	–	1.17
(v) Loans		75.13	–	75.13
(vi) Others		2.48	–	2.48
Other current assets		1.83	–	1.83
		301.65	**23.02**	**324.67**
Total Assets		**630.04**	**96.51**	**726.55**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		16.24	–	16.24
Other Equity		566.09	84.89	650.98
		582.33	**84.89**	**667.22**
Non- Current Liabilities				
Financial liabilities				
(i) Borrowings		–	–	–
Provisions		10.30	–	10.30
Deferred tax liabilities (net)	h	(0.13)	26.35	26.22
		10.17	**26.35**	**36.52**
Current Liabilities				
Financial liabilities				
(i) Borrowings		–	–	–
(ii) Trade payables		11.51	–	11.51
(iii) Other financial liabilities		1.46	–	1.46
Other current liabilities		2.55	–	2.55
Provisions	i	22.02	(14.73)	7.29
		37.54	**(14.73)**	**22.81**
Total		**630.04**	**96.51**	**726.55**

Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2016 (₹ Crore)

Particulars	Foot Note	Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a & b	10.78	71.60	82.38
Other intangible assets		0.62	–	0.62
Intangible assets under development		0.69	–	0.69
Investments	k	866.20	2.29	868.49
Financial assets				
(i) Investments	g	9.89	(0.65)	9.24
(ii) Loans	j	28.24	(0.35)	27.89
(iii) Other financial assets	c	4.01	0.05	4.06
Other non-current assets	c & j	34.52	(0.38)	34.14
		954.95	**72.56**	**1,027.51**
Current Assets				
Financial assets				
(i) Investments	e & f	43.44	21.37	64.81
(ii) Trade receivables		36.57	–	36.57
(iii) Cash & cash equivalents		1.96	–	1.96
(iv) Bank balance other than (iii) above		3.66	–	3.66
(v) Loans		480.47	–	480.47
(vi) Other financial assets		6.24	–	6.24
Other current assets	d	5.60	(2.25)	3.35
		577.94	**19.12**	**597.06**
Total Assets		**1,532.89**	**91.68**	**1,624.57**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		17.76	–	17.76
Other Equity		1,235.76	68.32	1,304.08
		1,253.52	**68.32**	**1,321.84**
Non- Current Liabilities				
Financial liabilities				
(i) Borrowings	d	68.00	1.01	69.01
Provisions		16.07	–	16.07
Deferred tax liabilities (net)	h	(0.76)	24.51	23.75
		83.31	**25.52**	**108.83**
Current Liabilities				
Financial liabilities				
(i) Borrowings	d	150.00	(2.15)	147.85
(ii) Trade payables		20.07	–	20.07
(iii) Other financial liabilities		11.29	–	11.29
Other current liabilities		6.64	–	6.64
Provisions		8.05	–	8.05
		196.05	**(2.15)**	**193.90**
Total		**1,532.88**	**91.69**	**1,624.57**

Notes to the financial statements for the year ended March 31, 2017

Reconciliation of profit and loss as previously reported under IGAAP to IND AS for the year ended March 31, 2016 (₹ Crore)

Particulars	Foot Note	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations		204.31	–	204.31
Other income	c, e, f, g & j	56.52	(3.70)	52.82
Total Income		260.83	(3.70)	257.13
Expenses				
Employee benefits expenses	J, k & l	110.23	(0.07)	110.16
Other Expenses	a & c	59.76	(0.20)	59.56
Finance Cost	d & m	1.70	0.32	2.02
Depreciation and amortization expenses	b	2.94	1.42	4.36
Total Expense		174.63	1.47	176.10
Profit before tax		86.20	(5.17)	81.03
Tax expenses				
Current tax		20.54	–	20.54
Deferred Tax charge / (Credit)	h	(0.63)	(2.10)	(2.73)
Prior year tax charge		0.74	–	0.74
Total Tax Expenses		20.65	(2.10)	18.55
Profit after Tax		65.55	(3.07)	62.48
Other Comprehensive income				
A. Items that will not to be reclassified to profit or loss				
- Re-measurement gains/ (losses) on defined benefit plans	l	–	0.75	0.75
- Income tax relating to items that will not be reclassified to profit or loss	h	–	(0.26)	(0.26)
		–	0.49	0.49
Total Comprehensive income for the year		65.55	(2.58)	62.97

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit and loss for the year ended March 31, 2016-

a) Property, plant and equipment

i) The Company has elected to measure certain items of property, plant and equipment i.e. land and building at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 71.08 crore was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

ii) The Company has capitalised printers taken on finance lease during the financial year 2015-16 of ₹ 1.94 crore, accumulated depreciation recognised on such printers of ₹ 0.16 crore.

b) Depreciation of property, plant and equipment

i) The depreciation charged in the statement of profit and loss pursuant to adjustment of fair value of property, plant and equipment as per Ind AS is ₹ 2.24 crore for the year ended March 31, 2016.

ii) The depreciation charged in the statement of profit and loss on capitalisation of printers under finance lease is ₹ 0.16 crore for the year ended March 31, 2016

iii) Due to change in method of depreciation from WDV to SLM, there is saving in depreciation of ₹ 0.98 crore for the financial year ended March 31, 2016.

c) **Security deposit paid**

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 0.15 crore as at April 1, 2015. The prepaid rent increased by ₹ 0.15 crore as at April 1, 2015. Total equity decreased by ₹ 0.01 crore as on April 1, 2015. During the year ended March 31, 2016 the Company has recognised amortisation of the prepaid rent of ₹ 0.14 crore which is off-set by the notional interest income of ₹ 0.14 crore recognised on security deposits.

d) **Borrowings**

i) Under Indian GAAP, transaction costs incurred in connection with borrowings are disclosed as prepaid expenses and amortised to profit or loss over the tenure of loan. Under Ind AS, transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and charged to profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. The borrowings as at March 31, 2016 have been reduced by ₹ 3.06 crore with a corresponding adjustment to prepaid expenses. The profit for the year ended March 31, 2016 decreased by ₹ 0.01 crores as a result of the additional interest expense.

ii) Due to capitalisation of printer under finance lease obligation, borrowing is increased by ₹ 1.92 crore as on March 31, 2016. The profit for the year ended March 31, 2016 decreased by ₹ 0.32 crores as a result of the additional interest expense.

e) **Investment in mutual funds**

Under Indian GAAP, investment in mutual funds were valued at cost of net realisable value whichever is lower. As per Ind AS, it is valued at fair value through profit and loss. As a result, investment in mutual funds has been increased as on March 31, 2016: ₹ 10.38 crore (April 1, 2015: ₹ 17.36 crore) with a corresponding increase in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

f) **Investment in quoted equity shares**

Under Indian GAAP, investment in quoted equity shares were valued at cost of net realisable value whichever is lower. As per Ind AS, it is valued at fair value through profit and loss. As a result, investment in quoted equity share has been increased as on March 31, 2016: ₹ 10.99 crore (April 1, 2015: ₹ 5.66 crore) with a corresponding increase in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

g) **Investment in venture capital fund**

Under Indian GAAP, investment in venture capital fund was recognised at cost. As per Ind AS, it is recognized at fair value through profit and loss. As a result, investment in venture capital fund has been decreased as on March 31, 2016: ₹ 2.40 crore (increased as on April 1, 2015: ₹ 1.75 crore) with a corresponding increase/decrease in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

h) **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in various transitional adjustments which lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings. On the date of transition, the net impact on deferred tax liabilities is of ₹ 26.35 Crore (March 31, 2016: ₹ 24.51 Crore).

Notes to the financial statements for the year ended March 31, 2017

i) Short term provisions

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. The Company has declared dividend after period end as on April 1, 2015, therefore, the liability of ₹ 12.18 Crore recorded for dividend and ₹ 2.55 crore for DDT have been derecognised against retained earnings on April 1, 2015 and recognised in the year ended March 31, 2016.

j) Employee loan

Under Indian GAAP, employee loan are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these employee loan under Ind AS. Difference between the fair value and transaction value of the employee loan has been recognised as prepaid salary. Consequent to this change, the amount of employee loan decreased by ₹ 0.76 crore as at April 1, 2015 and by ₹ 0.34 crore as at March 31, 2016. The corresponding impact booked under prepaid salary. During the year ended March 31, 2016 the Company has recognised amortisation of the prepaid salary of ₹ 0.22 crore which is off-set by the interest income of ₹ 0.20 crore recognised on employee loan.

k) Share-based payments

Under Indian GAAP, the Company was recognising share based payment expense as per intrinsic value method for its employees including employees of its subsidiary. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period and expense relating to subsidiary is transferred to respective company. Therefore ₹ 1.12 Crore considered as an adjustment to the retained earnings as on April 1, 2015. Reversal of expense of ₹ 1.04 Crore has been recognised in profit or loss for the year ended March 31, 2016.

l) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. During the year ended March 31, 2016 the employee benefit cost is decreased by ₹ 0.75 crore and re-measurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax at ₹ 0.49 crore.

m) Capitalisation of printers under finance lease

The Company has capitalised printers taken on finance lease during the financial year 2015-16 of ₹ 1.94 crore, accumulated depreciation recognised on such printers of ₹ 0.16 crore. Consequently printing and stationary expense booked in IGAAP is reversed of ₹ 0.34 crore and finance expense booked of ₹ 0.32 crore during the year ended March 31, 2016.

45. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 1, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 1, 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments from their applicability date.

46. Figures less than ₹ fifty thousand which are required to be shown separately have been shown at actual in double brackets.

47. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

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

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

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

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634