

THRU SPEED POST/COURIER

DRL/SEC/SE/16-17/21

31st August, 2016

✓ The Head – Listing & Compliance,
Metropolitan Stock Exchange of India Limited
Vibgyor Tower, 4th Floor,
Plot No.C 62, G-Block,
Opp. Trident Hotel, Bandra Kurla Complex,
Bandra (East), Mumbai-400098

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range,
Kolkata-700 001

Dear Sir,

Re: Annual Report for the financial year 2015-16

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Annual Report of the Company for the financial year 2015-16.

Further, please also be informed that a dividend of 5% amounting to Re 0.50 per equity share of Rs. 10 each has been approved by the shareholders at the Annual General Meeting of the Company held on 24th August, 2016. And the final payment of the same will be made on or before 16th September, 2016.

You are kindly requested to take note of the same.

Thanking you.

Yours faithfully,
For **Dalmia Refractories Limited**
(formerly Shri Nataraj Ceramic and
Chemical Industries Limited)



(AKANSHA JAIN)
COMPANY SECRETARY

Encl: As above



ANNUAL REPORT
2015-16

Dalmia Refractories Limited
(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

DALMIA REFRACTORIES LIMITED

(Formerly Shri Nataraj Ceramic and Chemical Industries Limited)

CIN: L24297TN1973PLC006372

HEAD OFFICE

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

REGISTERED OFFICE

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

DIRECTORS

Shri. N. Gopaldaswamy
Shri. C. Nagaratnam
Shri. M.K. Doogar
Shri. Deepak Thombre
Shri. P.D. Mathur
Shri Sameer Nagpal
Smt. Leena Rawal

KEY MANAGERIAL PERSONNEL

Shri C.N. Maheshwari, Chief Executive Officer
Shri Sudhir Kumar Srivastava, Chief Financial Officer
Ms. Akansha Jain, Company Secretary

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad-500 032
Email: einward.ris@karvy.com; Website: www.karvy.com

DEBENTURE TRUSTEES

IL & FS Trust Company Limited
IL & FS Financial Centre
Plot C-22, G-Block, Bandra Kurla Complex,
Bandra East, Mumbai-400 051
E-mail: info@ilfsindia.com
Tel.: +91+22-2653 3333 / 3232

BANKERS

AXIS Bank Limited
Punjab National Bank

WORKS

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

Khambalia-361 305
Dist. Devbhumi Dwarka, Gujarat.

Plot No.8 & 13, Phase-III, Lamtara Industrial Area,
Katni-483 501, Madhya Pradesh

AUDITORS

S.S. Kothari Mehta & Co.
Chartered Accountants

DIRECTORS' REPORT

Your Directors hereby present the Forty Third Annual Report together with audited financial statements for the year ended 31st March, 2016.

Financial Results

	2015-16	2014-15
	(Rs.in lacs)	(Rs.in lacs)
GROSS REVENUE	20595	18909
Profit before Interest, Depreciation and Tax (EBITDA)	814	144
Interest	270	361
Depreciation	374	324
Profit before Tax (PBT)	170	(541)
Provision for Current tax	50	-
Provision for deferred tax (Net of due to change in Depreciation as per Companies Act, 2013)	-	(156)
Profit after tax (PAT)	120	(385)
Tax adjustment of earlier year	-	8
Add: Surplus brought forward from last year	3637	4043
Profit available for appropriation	3757	3666
Appropriations :		
General Reserve	10	10
Dividend	16	16
Dividend Distribution tax	3	3
Balance Carried Forward	3728	3637

DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 0.50 per equity share of face value of Rs.10/- each for the current financial year ended 31st March, 2016. The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

OPERATIONS AND FUTURE OUTLOOK

During the year, Market scenario continued to be sluggish due to lower capacity utilization in steel and cement industry, main consumers of refractory products. With marginal increase in the revenues coupled with the cost reduction measures, the Company has been able to achieve Profit before Tax (PBT) of Rs.170 lakhs as against the loss of Rs.541 lacs during the previous year.

Details about the performance as also the future outlook have been given under the head Functional Highlights and Management Discussion and Analysis in the annexed report on the Corporate Governance.

The details of refractories produced and dispatched by the units of the Company are given as under:-

Dalmiapuram Works

	FY 16	FY 15
Production (MT)	39013	40895
Dispatches (MT)	39341	37761

Khambalia Works

	FY 16	FY 15
Production (MT)	33383	31686
Dispatches (MT)	33084	33285

Katni Unit

	FY 16	FY 15
Production (MT)	10,901	9647
Dispatches (MT)	10,823	9567

DALMIA REFRACTORIES LIMITED

CHANGE IN BUSINESS

There has been no change in the nature of business carried on by the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate or joint venture Company.

CORPORATE GOVERNANCE

The Company's corporate governance Report has been detailed in a separate Chapter and is attached separately to this Report. The Auditors' Certificate confirming compliance of Corporate Governance Code is also attached as annexure and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company. However, the Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby areas, where the Company's plants are located.

LISTING OF SECURITIES

As reported in our report for last year that due to voluntary surrender of its recognition by Madras Stock Exchange and de-recognition of Delhi Stock Exchange by Securities Exchange Board of India (SEBI), the securities of the Company continued to be listed at Calcutta Stock Exchange. Further, during the year under review the equity share capital of the Company has been listed and admitted to dealings at Metropolitan Stock Exchange of India Limited [Formerly MCX Stock Exchange Limited (MCX-SX)] w.e.f. 09.10.2015.

Henceforth, besides Calcutta Stock Exchange the equity shares of the Company are also listed at Metropolitan Stock Exchange of India Limited and the listing fee for the financial year 2016-17 has been paid to the said Exchanges.

EXTRACT OF ANNUAL RETURN

In compliance with the provisions of Section 92(3) of the Companies Act 2013, the details forming part of the extract of the Annual Return is attached to this Report as 'Annexure I' in Form MGT 9.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the members approved the appointment of Smt. Leena Rawal as a Non-executive Non-Independent Director who is liable to retire by rotation.

Shri Sameer Nagpal upon the recommendation of Nomination and Remuneration Committee, was appointed as an Additional Director w.e.f. 4th February, 2016 and holds office till the conclusion of ensuing Annual General Meeting. The Company has received a requisite notice from a member as required under section 160(1) of the Companies Act, 2013, proposing his candidature for appointment as Director of the Company. Shri Sameer Nagpal has given his declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being appointed as a Director of the Company.

Shri Deepak Thombre, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Shri Deepak Thombre has given his declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being reappointed as a Director of the Company.

All Independent Directors namely, Shri N. Gopaldaswamy, Shri P.D. Mathur and Shri M.K. Doogar have given their declaration of independence in terms of Section 149(6) of the Companies Act, 2013.

The Key Managerial Persons, namely, Shri C.N. Maheshwari, Chief Executive Officer, Shri Sudhir K. Srivastava, Chief Financial Officer and Ms. Akansha Jain, Company Secretary continue to hold their respective offices during the year under review.

BOARD OF DIRECTORS, COMMITTEES AND MEETINGS

During the year, four Meetings of the Board were convened and held. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days. In terms of the provisions of Rule 8 of Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors excluding all other Directors and Officials of the Company was also held.

There are five Board level committees. The composition, terms of reference and other details of all Board level Committees have been elaborated in the Corporate Governance Report annexed to this Report.

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

The Nomination and Remuneration Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in section 178(3) of the Companies Act, 2013 as approved by the Board of Directors is attached as 'Annexure-II' to this Report.

The details of familiarisation programmes for Independent Directors of the Company can be accessed at the website of the Company at www.dalmiarefractories.com

The Board of Directors has conducted a formal evaluation of its own performance and of its committees and individual Directors in accordance with norms laid down in the Nomination and Remuneration Policy aforesaid.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has in place the Whistle Blower Policy and the Vigil Mechanism with a view to provide for adequate safeguards against victimization of stakeholders who use such mechanism and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

The policy can be accessed at the website of the Company at https://www.dalmiarefractories.com/pdf/WHISTLE_BLOWER_POLICY-DRL.pdf

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loans, directly or indirectly, to any person or to other body corporates or given any guarantee or provided any security in connection with a loan to any other body corporate or person in terms of Section 186 of the Companies Act, 2013. The Details of Investments made by the Company are given in Note 13 of the Financial Statements.

RELATED PARTY POLICY AND TRANSACTIONS

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The policy on Related Party Transactions can be accessed at the website of the Company at https://www.dalmiarefractories.com/pdf/DRL_RELATED_PARTY.pdf.

RISK MANAGEMENT

The Board has established a Risk Management Committee. The Committee endeavors to assist the Board to review the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, and mitigation and reporting of key risks while trying to achieve its business objectives.

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013 M/s. S.S. Kothari Mehta & Co., Chartered Accountants, were re-appointed as Statutory Auditors of the Company to hold office for a period of three years effective from the conclusion of Annual General Meeting of the Company held on 12th August, 2014 subject to ratification by the members at every Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain qualification, reservation or adverse remark.

SECRETARIAL AUDIT

The Board has appointed, Shri N.C. Khanna, Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2015-16 in terms of section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as 'Annexure III' of this Report. There are no disqualifications or remarks made by the Secretarial Auditor in his Report.

DALMIA REFRACTORIES LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Act are given in Annexure-A which forms part of the Directors' Report.

PARTICULARS OF DIRECTORS' AND EMPLOYEES' REMUNERATION

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the annual report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

DISCLOSURE

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

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, the Company has not accepted any deposits from public.

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

ACKNOWLEDGMENT

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

For and on behalf of Board

Place: New Delhi
Dated: May 23, 2016

N. GOPALASWAMY
CHAIRMAN

ANNEXURE-A

Prescribed Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY:

- (a) The steps taken/impact on conservation of energy:-
- (i) Introduction of Variable Frequency Drive (VFD) Motors in Kiln Exhaust Fan Circuit for power saving.
 - (ii) Introduction of Roll Crushers in the grinding circuit to reduce power consumption.
 - (iii) Replacement of CFL bulbs with LED bulbs.
- (b) The steps taken by the Company, for utilizing alternate sources of energy:-
Replaced Roof sheets with transparent roof sheets, wherever possible, in order to make maximum use of sunlight.
- (c) The capital investment on energy conservation equipments:
Company has invested around Rs.8.53 lakhs during the FY 2015-16 to conserve the energy.

B. TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption:

Efforts are being made for technical collaborations for producing wider and better range of products.

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

Development of new product called DALULTIMA, used as an import substitution of castables in cement plants have resulted in expanding the customer base in the castable sector.

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

4. Expenditure incurred on Research and Development.

Rs.35.38 lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Foreign Exchange earned in terms of actual inflows during the year

Rs.874.09 lakhs

ii. Foreign Exchange outgo during the year in terms of actual inflows

Rs.3301.70 lakhs

DALMIA REFRACTORIES LIMITED

ANNEXURE-I
Form No. MGT-9

**Extract of Annual Return as on the financial year ended on 31st March, 2016 of
Dalmia Refractories Limited**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L24297TN1973PLC006372
- ii) Registration Date: 21/06/1973
- iii) Name of the Company: DALMIA REFRACTORIES LIMITED
(Formerly Shri Nataraj Ceramic and Chemical Industries Limited)
- iv) Category/Sub-Category of the Company: Public Company Limited by shares
- v) Address of the Registered Office and contact details: Dalmiapuram, P.O. Kallakudi, Tiruchirapalli, Tamil Nadu-621 651,
Tel.No.: 04329-235133/144/155
E-mail: snccl@dalmiarf.com
Website: www.dalmiarefractories.com
- vi) Whether listed Company: Yes
Yes / No
- vii) Name, Address and Contact details of Registrar and Transferor Agent: Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad-500 032
Tel.No.:040-67161500; Fax: 040-23001153,
E-mail: einward.ris@karvy.com
Website: www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of Main Products/Services	NIC Code of the Product/Service*	% to total turnover of the Company.
1	Manufacture & sale of Refractories; Castables and Mortars	2391	84%

Note: As per National Industrial Classification - Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
N O N E					

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2043527	-	2043527	64.83	2043527	-	2043.527	64.83	0.002
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	2043527	-	2043527	64.83	2043527	-	2043527	64.83	0.002
(2) Foreign									
a) Individuals (Non-resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
e) Qualified foreign investor	-	-	-	-	-	-	-	-	-
f) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2043527	-	2043527	64.83	2043577	-	2043577	64.83	0.002

DALMIA REFRACTORIES LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
B. Public shareholding									
1. Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions/Banks	-	1226	1226	0.04	-	1210	1210	0.04	0.001
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified foreign Investor	-	-	-	-	-	-	-	-	-
j) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	1226	1226	0.04	-	1210	1210	0.04	0.001
2. Non-institutions									
a) Bodies Corporate									
i) Indian	29667	7627	37294	1.18	27652	6128	33780	1.07	0.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals-									
i) Individuals share-holders holding nominal share capital upto Rs.1 lakh	340796	308393	649189	20.60	348649	302569	651218	20.66	0.06
ii) Individual share-holders holding nominal share capital in excess of Rs.1 lakh	418472	-	418472	13.28	418472	-	418472	13.28	-
c) Others (specify)									
Directors	-	58	58	0.00	-	58	58	-	-
Non Resident Indians	1650	618	2268	0.07	1660	618	2278	0.07	0.001
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	50	-	50	0.00	50	-	50	-	-
Qualified foreign investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	790635	316696	1107331	35.13	796483	310814	1107297	35.13	0.001
Total Public Share-Holding (B)=(B)(1)+(B)(2)	790635	317922	1108557	35.17	796483	312024	1108507	35.17	0.001
Total (A)+(B)	2834162	317922	3152084	100	2840060	312024	3152084	100	-
(C) Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	2834162	317922	3152084	100	2840060	312024	3152084	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning Of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year.
1.	Mayuka Investment Limited	614396	19.49	-	614396	19.49	-	-
2.	Ankita Pratisthan Limited	402091	12.76	-	402091	12.76	-	-
3.	Sita Investment Company Limited	312300	9.91	-	312300	9.91	-	-
4.	Alirox Abrasives Limited	247187	7.84	-	247187	7.84	-	-
5.	Rama Investment Company Pvt. Ltd.	176728	5.61	-	176728	5.61	-	-
6.	Valley Agro Industries Ltd.	138779	4.40	-	138779	4.40	-	-
7.	Shree Nirman Ltd.	114501	3.63	-	114501	3.63	-	-
8.	Himgiri Commercial Limited	37235	1.18	-	37235	1.18	-	-
9.	Puneet Trading & Investment Co. Pvt. Ltd.	310	0.01	-	310	0.01	-	-
10.	Keshav Power Ltd.	-	-	-	50	0.00	-	0.001
	Total	2043527	64.83	-	2043557	64.83	-	0.001

Note: Shareholders listed above are disclosed as Promoters/Promoter group under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii) Change in Promoter's Shareholding (Please specify, if there is no change)

S.No.	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Keshav Power Limited	Purchase	01.04.2015	-	-	-	-
			27.01.2016	50	0.001	-	-
			31.03.2016	50	0.001	50	0.001

DALMIA REFRACTORIES LIMITED

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2015)		Shareholding at the end during the year (As on 31.03.2016)		% change in shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	Mahendra Girdharilal Wadhawani	181067	5.74	181067	5.74	-
2.	Akash Bhanshali Change during the year Date Reason 10.04.2015 Purchase	-	-	116500	3.70	3.70
3.	Saral Bhanshali	58239	1.85	58239	1.85	-
4.	Anil Kumar Goel	19421	0.62	19421	0.62	-
5.	Tehmina Kali Cawasji j/w Raiomond Khodadad Irani	16400	0.52	16400	0.52	-
6.	Bhavna Govindbhai Desai j/w Govindbhai Baldev Desai	14273	0.45	14273	0.45	-
7.	Govindbhai Baldev Desai j/w Bhavna Govindbhai Desai	12572	0.40	12572	0.40	-
8.	Siyat Holding Private Limited	10000	0.32	10000	0.32	-
9.	Shreekant Phumbhra	10000	0.32	10000	0.32	-
10.	Chandravadan Desai	8900	0.28	8900	0.28	-

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	
For each of Directors and KMP				
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Shri N. Gopalswamy, Director				
At the beginning of the year	18	0.0006	18	0.0006
Changes during the year		No change during the year		
At the end of the year	18	0.0006	18	0.0006
2. Shri C. Nagaratnam, Director				
At the beginning of the year	40	0.0013	40	0.0013
Change during the year		No change during the year		
At the end of the year	40	0.0013	40	0.0013
3. Shri C.N. Maheshwari, Chief Executive Officer				
At the beginning of the year	98	0.0031	98	0.0031
Change during the year		No change during the year		
At the end of the year	98	0.0031	98	0.0031

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accure but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	4370.21	-	-	4370.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.68	-	-	23.68
Total (i+ii+iii)	4383.94	-	-	4383.94
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	168.00	-	-	168.00
Net change	(168.00)	-	-	(168.00)
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	2877.09	-	-	2877.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15.72	-	-	15.72
Total (i+ii+iii)	2892.81	-	-	2892.81

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross Salary -	-	-
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of Profit		
	- others, specify		
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	NA	NA

Note: The Company do not have any Managing Director, Whole Time Director and/or Manager

DALMIA REFRACTORIES LIMITED

B. REMUNERATION TO OTHER DIRECTORS:

(Rs.in lacs)

Particulars of Remuneration	Name of the Director				Total Amount
1. Independent Directors	Shri N. Gopalaswamy	Shri M.K. Doogar	Shri P.D. Mathur		
Fee for attending Board & Committee Meetings	0.58	0.48	0.70		1.76
Commission	0.36	0.36	0.36		1.08
Others, please specify	-	-	-		-
Total (1)	0.94	0.84	1.06		2.84
2. Other Non-Executive Directors	Shri Deepak Thombre	Shri C. Nagaratnam	Smt. Leena Rawal	Shri Sameer Nagpal*	
Fee for attending Board & Committee Meetings	0.50	0.53	0.25	-	1.28
Commission	0.36	0.36	-	-	0.72
Others, please specify	-	-	-	-	-
Total (2)	0.86	0.89	0.25	-	2.00
Total (B)=(1+2)					4.84
Total Managerial Remuneration (A+B)					4.84
Overall Ceiling as per the Act					Rs.5.46 lakhs - Being 3% of Net Profits

*Shri Sameer Nagpal has been appointed as an Additional Director w.e.f. 04.02.2016.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1. Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	3.22	28.80	32.02
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	72.68*	3.22	28.80	32.02

* Being reimbursed to Dalmia Bharat Limited for the Services of Shri C.N. Maheshwari, Chief Executive Officer.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

ANNEXURE II

NOMINATION AND REMUNERATION POLICY

- 1) **Objective:** This Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder, and the amended Clause 49(IV) of the Listing Agreement.
- 2) **Definitions:**
 - a. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
 - b. **"Board"** means the Board of Directors of the Company.
 - c. **"Directors"** means the Directors of the Company as may be appointed from time to time.
 - d. **"Independent Director"** means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in **S.149(6)** of the Companies Act, 2013.
 - e. **"Key Managerial Personnel" (KMP)** means the following persons as defined in **S.2(51)** of the Companies Act, 2013 and (i) Managing Director or Manager or Chief Executive Officer; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (v) such other officer as may be prescribed.
 - f. **"Senior Management Persons" (SMP)** means the following persons, as defined in **Explanation to S.178(8)** of the Companies Act, 2013, being personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including all Business unit heads.
- 3) **Constitution of the Committee and matters relating thereto:**
 - (a) **Constitution:**
 - (i) The Committee shall consist of minimum 3 Non-Executive Directors, out of which not less than one half shall be Independent Director.
 - (ii) Minimum two members shall constitute a quorum for the meeting.
 - (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.
 - (iv) The Chairman of the Committee shall be an Independent Director.
 - (v) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.
 - (vi) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.
 - (b) **Frequency of Meetings:**

The meeting of the Committee shall be held at such regular intervals as may be required.
 - (c) **Secretary:**

The Company Secretary of the Company shall act as the Secretary of the Committee.
 - (d) **Procedure to be followed in meetings of the Committee:**
 - (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at the meeting or when his or her own performance is being evaluated.
 - (ii) All matters shall be decided by a majority of votes cast by the members present and such decision shall for all purposes be treated as the decision of the Committee. In case of equality of votes, the Chairman shall have the casting vote.
 - (iii) Head HR or a representative nominated by him may be invited at the meetings of the Committee to provide clarifications, if any, sought by the Committee.
 - (iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.
 - (v) Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

4) Role of the Committee:

The Committee shall :-

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director. [S.178(3), Clause 49(IV)(B) of Listing Agreement]
- (b) Recommend to the Board, a Policy relating to Remuneration of Directors, KMPs, and other employees. [S.178(3)]. This Policy has to be disclosed in the Board's Report [S.178(4)]. As per S.178(4), while formulating this policy, Committee has to ensure that:-
 - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,
 - (ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,
 - (iii) Remuneration to Directors, KMPs, and SMP, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.
- (c) Carry out evaluation of every Director's performance [S.178(2)]
- (d) Devise a policy on Board Diversity. [Clause 49(IV)(B)(3) of Listing Agreement]
- (e) Identify persons who are qualified to become Directors, and who may be appointed as KMPs/SMPs in accordance with the criteria laid down in this policy. [S.178(2)]
- (f) Recommend to the Board the appointment and removal of KMPs and SMPs, in accordance with the criteria laid down. [S.178(2)].

5) Policy on Remuneration:

- (a) Directors (including MDs and WTDs):
 - (i) It would have to be within the ceiling as may be prescribed by law from time to time.
 - (ii) It would have to be with such approvals as may be prescribed by law.
 - (iii) In case of MDs/WTDs, it shall involve a balance between fixed and incentive pay, reflecting short term and long term performance objectives.
 - (iv) In case of non WTDs, total remuneration payable in accordance with law, be distributed amongst themselves, keeping in view (a) Responsibilities (e.g. Chairmanship/Membership of important Committees), (b) Tenure on the Board, (c) Devoting of time outside Board meetings, for Company's work etc, as may be decided by the Board.
- (b) KMPs and other employees:
 - (i) It would be based on Total Cost to Company (TCTC) concept. Within this TCTC, it could be made flexible, as per the needs of employees, in a fair and transparent manner.
 - (ii) It would be in compliance with laws and regulations.
 - (iii) The level and composition of remuneration would be reasonable and sufficient to attract, retain and motivate to run the Company successfully and to meet performance benchmarks.

6) Policy on Board Diversity

The Board would comprise of persons having diverse qualifications, experience and exposure in any area including but not limited to finance, accounts, human relations, marketing, selling, administrative, engineering, economic, legal, tax and manufacturing functions. All Board appointments are made on merit, in the context of skill, experience, independence and knowledge which the Board as a whole requires to be effective.

The Articles of the Company provide for a minimum number of 3 Directors and a maximum number of 12. The size and composition of the Board is to be determined within these parameters.

The Board shall comprise of one-third of its strength being independent Directors, where the Chairman of the Board/Company is an Non-Executive Chairman. However, the Chairman is an Executive Chairman, one half strength of the Board shall comprise of independent Directors.

Vacancies in the Board caused due to death, resignation or otherwise shall be filled in within a period of six months unless the Board resolves not to do so.

It shall be necessary to have one woman Director on the Board.

7) Criteria for determining qualifications, positive attributes and independence of Directors:

- (a) Criteria for determining independence would be as laid down in **S.149(6)** of the Act.
- (b) No academic qualification is envisaged, but should be able to contribute positively to the deliberations at Board Meeting.
- (c) The candidate to be appointed as an Independent Director shall be at least 21 years of age. All persons being appointed as Directors shall possess a Directors Identification Number (DIN).
- (d) A person shall not be appointed as a Director if he is disqualified under section 164 of the Companies Act, 2013.
- (e) The term of office for Executive Directors can be maximum 5 years at a time. This can be renewed for further periods of time.
- (f) The term of office of independent Directors will be for a such period as may be determined by the Board subject to a maximum term of 5 years and can be renewed thereafter for a further period of 5 years by passing a Special Resolution. Thereafter, there has to be a minimum 3 year cooling off period before which the persons appointment as an independent Director can be considered.

8) Criteria for identifying persons for appointment as Key Managerial Personnel's:-

- (a) Should fulfill the Job Description, for the relevant position, as may be in force from time to time.
- (b) Should clear the Dalmia BEI (Behavioural Evaluation Interview).

9) Evaluation of every Director's performance:

- (a) % attendance at Board Meetings.
- (b) Participation in discussions.
- (c) Preparedness for Board Meetings, by reading of the relevant papers.
- (d) Contribution in terms of improving Business performance.
- (e) Proactive availability for Company's business, besides Board meetings.

The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on a process of evaluation, etc, and the cost of such professional shall be borne by the Company.

10) General:

- (a) The persons selected for the positions of Key Managerial Personnel should have the desired qualifications, expertise and experience for the position he/she is considered for appointment. The Committee shall have the discretion to decide whether the qualifications, expertise and experience possessed by a person is sufficient for the concerned position. The Committee shall approve the selection of candidates to the position of Key Managerial Personnel and recommend to the Board, his or her appointment.
- (b) The appointment of Senior Management Personnel shall be done by the HR department, who shall keep the Committee informed of such appointments from time to time. Provided however that the appointment of a person to the level of a Senior Managerial Personnel can be got ratified by the Company by getting the position cleared by the Nomination & Remuneration Committee within a period of 4 months from the date of initial appointment.
- (c) The Committee shall not recommend the appointment of or continuation of appointment of any person to the position of a Managing Director and Whole-time Director or Manager who has attained the age of seventy years. In event it is decided by the Committee to breach the above age limit, the Committee shall make such recommendation subject to approval of shareholders by way of a Special Resolution.[Sec 196(3)(a) and proviso thereto]
- (d) Term/Tenure of appointment of Directors, etc.:
 - i) Managing Director/Manager/Whole-time Director:
The term of appointment or re-appointment of any person as a Managing Director/Whole-time Director or Manager shall not exceed five years at a time. The re-appointment shall not be made earlier than one year before the expiry of the current term of appointment. [Sec 196(3)]

(ii) Independent Directors:

An Independent Director shall hold office for a term upto five consecutive years and can be reappointed on passing of a Special Resolution by the Shareholders of the Company for a further term of five years. [Sec 149(10)].

No Independent Director shall hold office for more than two consecutive terms. An Independent Director who has completed the two consecutive terms of appointment of five years each, can however be appointed as an Independent Director after the expiry of three years of his ceasing to become an Independent Director provided he otherwise qualifies for being appointed as an Independent Director. [Sec 149(11)].

At the time of appointment of an Independent Director it should be ensured that he is not an Independent Director of more than seven listed companies. If however, the Independent Director is serving as a Whole-time Director of a listed company, then it should be ensured that he is not an Independent Director of more than three listed companies. [Clause 49(ii)(B)(2) of Listing Agreement].

(iii) Key Managerial Personnel:

The term of appointment for the positions of Key Managerial Personnel, shall be determined by the Nomination and Remuneration Committee at its own discretion and may vary from position to position.

(e) Evaluation of Key Managerial Personnel and person in Senior Management Persons:

The Committee shall go through the recommendations of the evaluations by the HR Department of the persons holding Key Managerial Personnel (excluding the Managing Director and Whole time Director) and approve the same with or without modifications. The evaluation of the Senior Management Personnel shall be done by the HR department in accordance with the Company's HR policies as existing from time to time.

(f) Removal:

The Committee may recommend to the Board with reasons recorded in writing the removal of a Director, Key Managerial Personnel for reasons of misconduct or negligence of duties.

A Director can be removed from his office if the shareholders pass an ordinary resolution pursuant to the provisions of section 169 of the Companies Act, 2013.

A Director shall also be required to continue to qualify as a Director in terms of a section 164 of the Act and is not liable to vacate his office in terms of section 167 of the Act.

(g) Retirement:

The Director shall retire as per the provisions of the Act. The Key Managerial Personnel and Senior Management Persons shall retire as per the HR policy of the Company in force from time to time. Subject to the provisions of Clause 4(b), the Board will, however, have the discretion to retain the Director, Key Managerial Personnel and Senior Management Persons even after his attaining the age of retirement in the interest of the Company.

(h) The Remuneration policy will be disclosed in the Annual Report of the Company.

(i) This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board.

(j) Any or all the provisions of this Policy would be subject to the revision/amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors. However, any such amendment shall be annexed to this Policy and put on the website of the Company for ready reference of all concerned persons and placed before the Nomination and Remuneration Committee.

DALMIA REFRACTORIES LIMITED

ANNEXURE - III
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,

The Members,
Dalmia Refractories Limited
CIN:-L2429TN1973PLC006372
Dalmiapuram, P.O. Kallakudi,
Dist. Tiruchirapalli, Tamil Nadu-621 651
India

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and amendments thereof:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009*;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999*;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;* and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;*

*Note applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.

(vi) Other Laws specifically applicable to the Company:-

I have examined the entire framework, processes and procedures of compliance of the under mentioned Industry Specific laws applicable to the Company. The reports, compliances etc with respect to these laws have been examined by me on test check basis.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Ltd., and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note: The equity share capital of the Company has been listed and admitted to dealings at Metropolitan Stock Exchange of India Limited [Formerly MCX Stock Exchange Limited (MCX-SX)] w.e.f. 09.10.2015.

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

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place : New Delhi

Date: May 20, 2016

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

N.C. KHANNA

FCS No.4268

C.P.No.5143

DALMIA REFRACTORIES LIMITED

Annexure A to the Secretarial Audit Report

To,
The Members,
DALMIA REFRACTORIES LIMITED
CIN:-L2429TN1973PLC006372
Dalmiapuram, P.O. Kallakudi,
Dist. Tiruchirapalli, Tamil Nadu-621 651
India

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

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

Place: New Delhi
Date: May 23, 2016

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

ANNEXURE - IV
DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12)
OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND
REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2015-16 (Rs.in lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/to median remuneration of employees
1.	Shri N. Gopalaswamy, Independent Director	0.94	87.76	0.492:1
2.	Shri P.D. Mathur Independent Director	1.06	102.63	0.557:1
3.	Shri M.K. Doogar Independent Director	0.84	459.22	0.439:1
4.	Shri Deepak Thombre Non-Executive Director	0.86	146.81	0.452:1
5.	Shri C. Nagaratnam Non-Executive Director	0.89	255.53	0.465:1
6.	Smt. Leena Rawal Non-Executive Director	0.25	N.A.*	0.131:1
7.	Shri Sameer Nagpal** Non-Executive Director	-	N.A.	N.A.
8.	Shri C.N. Maheshwari Chief Executive Officer	72.68***	2.54	N.A.
9.	Shri S.K. Srivastava Chief Financial Officer	28.80	10.13	N.A.
10.	Ms. Akansha Jain Company Secretary	3.22	#	N.A.

Note: Sitting fees paid to Directors for attending the meetings of the Board and committees forms part of the Remuneration paid to Directors.

* Details not provided as Smt. Leena Rawal was not a Director during the financial year 2014-15.

** Details not provided as Shri Sameer Nagpal was appointed as an Additional Director w.e.f. 04.02.2016

*** Being reimbursed to Dalmia Bharat Limited for the services of Chief Executive Officer.

Details not provided as Company Secretary was appointed for only part of the financial year 2014-15 w.e.f. 26.08.2014.

- (ii) The median remuneration of employees of the Company during the financial year was Rs.1.91 lakh;
- (iii) In the financial year, there was an increase of 8.52% in the median remuneration of employees;
- (iv) There were 392 permanent employees on the rolls of Company as on March 31, 2016;
- (v) Relationship between average increase in remuneration and company performance. Total production in year 2015-16 had increased by 2.41% over the previous year whereas the increase in median remuneration was 8.52%.

DALMIA REFRACTORIES LIMITED

- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 5.84% from 2014-15 to 2015-16 whereas Profit after tax during the year is Rs.1.20 lakhs as compared to loss of Rs.385 lakhs in the year 2014-15
Note: Company Secretary was appointed only for part of the financial year 2014-15 w.e.f. 26th August, 2014.
- (vii) a) Variations in the market capitalisation of the Company - NA#
b) There was a loss in the financial year 2014-15 and Price Earnings ratio for financial year ended 2015-16 is 29.37.
c) Percentage increase in the Market quotations of share of the Company as compared to last year - NA#.
During the year under review, the equity shares of the Company have been listed and admitted to dealings on Metropolitan Stock Exchange of India Limited w.e.f. 9th October, 2015. However, no trading has taken place till 31.03.2016. The last traded price of shares was Rs.112.50 on 29th January, 2015 at NSE. Consequent to voluntary exit of Madras Stock Exchange from stock exchange business, the agreement between National Stock Exchange (NSE) and the said exchange was discontinued and the shares of the Company were no more traded on the NSE trading platform with effect from 31st January, 2015.
- (viii) Average percentage increase in the salaries of employees other than managerial personnel is 3.06%. There was no Managing Director, Manager or Whole-Time Director during the financial year 2015-16 and 2014-15.
- (ix) The Key Parameters for the variable component of remuneration availed by the directors:
The Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and Committees thereof and commission as a percentage of Net Profit upto 1% of the net profits of the Company as may be decided by the Board subject to a maximum limit of Rs.3 lakhs.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
All the Directors of the Company are Non-Executive and do not draw any fixed remuneration.
- (xi) It is hereby affirmed that the remuneration paid during the year ended March 31, 2016 is as per the Remuneration Policy of the Company.

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Dalmia Refractories Limited (formerly known as Shri Nataraj Ceramic and Chemical Industries Ltd.) believes in adopting the best practices of Corporate Governance and stands committed to good corporate governance. The spirit of Corporate Governance is shaped by the values of transparency, professionalism, accountability and high levels of integrity in decision making. We have identified four core values of Learning, Teamwork, Speed and Excellence which are being institutionalized in our organization. Our policies are constantly reviewed and are improved keeping in mind our goal of maximization of values to all the stakeholders. The stipulations of Corporate Governance mandated by erstwhile clause 49 of the listing agreement and specified regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective 1st December 2015 are being fully complied with.

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

II. BOARD OF DIRECTORS

Composition of the Board

As on 31st March 2016, the Company's Board comprised of seven members - All being Non-Executive Directors of which three are Independent Directors and one Woman Director. Shri N. Gopaldaswamy, a Non-Executive Independent Director is appointed as the Chairman of the Board of Directors. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, which stipulates that if the Chairman is Non-Executive Director, atleast one third of the Board should comprise independent directors and in case the Company does not have a regular Non-executive Chairman, atleast half of the Board should comprise of independent directors. Further, none of the Directors are related to each other or to any Key Managerial Personnel of the Company.

Directors' Attendance Record and Directorships Held

As mandated by the Listing Regulations, none of the Independent Directors of the Company are whole-time directors in any listed Company and do not serve as an Independent Director in more than seven listed Companies. Further, none of the Directors are members of more than ten Board level Committees or Chairman of more than five Committees across all Companies of which he/she is a Director. Details of the composition of the Board and attendance are given below:

Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of Directorship(s) held in Indian Public Companies@	Committee(s) position (including DRL)#	
		Number of Board Meetings		Last AGM		Member	Chairman
		Held	Attended				
Shri N. Gopaldaswamy	Independent	4	3	No	8	3	3
Shri Deepak Thombre	Non-Executive	4	4	No	-	1	-
Shri C. Nagaratnam	Non-Executive	4	4	Yes	-	1	1
Shri P.D. Mathur	Independent	4	4	No	-	2	-
Shri M.K. Doogar	Independent	4	4	No	8	6	3
Smt. Leena Rawal	Non-Executive	4	4	No	1	-	-
Shri Sameer Nagpal*	Non-Executive	1	-	-	-	-	-

* Shri Sameer Nagpal was appointed as Additional Director w.e.f. 4th February, 2016

@ The directorships held by the Directors do not include directorship of foreign companies and private limited companies.

As required under Regulation 26(1)(b) of the SEBI (LODR) Regulations, 2015, the membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee alone have been considered.

Number of Board Meetings

The Board of Directors met four times during the year on 21st May, 2015, 27th July, 2015, 6th November, 2015 and 4th February, 2016. The time gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

Meeting of Independent Directors

During the year under review, the Independent Directors met on 4th February, 2016 without the attendance of non-independent directors and members of the management. All independent directors of the company were present at the meeting. The meeting of the directors was held to inter alia:

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

Information Supplied to the Board

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

Details of the shares and convertible instruments held by the Directors

Name of the Director	Category	Number of shares held	No.of Convertible Instruments held
Shri P.D. Mathur	Independent	Nil	Nil
Shri N. Gopaldaswamy	Independent	18	Nil
Shri C. Nagaratnam	Non-executive	40	Nil
Shri M.K. Doogar	Independent	Nil	Nil
Shri Deepak Thombre	Non-executive	Nil	Nil
Shri Sameer Nagpal	Non-executive	Nil	Nil
Smt. Leena Rawal	Non-executive	Nil	Nil

Familiarization Programme for Board Members

The Board Members are provided with necessary documents, brochures, reports and internal policies which help them to understand the Company, its business and the regulatory framework in which the Company operates and equips them to effectively fulfill their role as a Director of the Company.

Further, the Directors are also updated about the compliances required to be made by them from time to time under various acts and statutes.

The details of familiarization programme imparted to independent directors are available on the Company’s website www.dalmiarefractories.com

The independent Directors have been appointed for a term of 5 years and a formal letter of appointment has been given to each director in accordance the Companies Act 2013, which inter alia explains the role, functions, duties and responsibilities expected of him as a Director of the Company. The letter of appointment of independent directors is available on the Company’s website.

III. COMMITTEES OF THE BOARD

As on 31st March, 2016, the Company has five Board-level Committees - Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Rights Issue Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on 31st March, 2016, the Audit Committee comprises of four members namely Shri N. Gopaldaswamy, Chairman of the Audit Committee, Shri C. Nagaratnam, Shri M.K. Doogar and Shri P.D. Mathur. The committees' composition meets the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess requisite accounting and financial management expertise. Shri C. Nagaratnam, member of the Audit Committee authorised by the Chairman of the Committee in this behalf, attended the Annual General Meeting of the Company held on 6th August, 2015.

The Audit Committee met four times during the year on same dates as Board Meetings. The time gap between any two meetings was less than four months. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Attendance Record of DRL's Audit Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopaldaswamy	Independent	Chairman	4	3
2. Shri P.D. Mathur	Independent	Member	4	4
3. Shri Deepak Thombre*	Non-Executive	Member	3	3
4. Shri M.K. Doogar	Independent	Member	4	4
5. Shri C. Nagaratnam#	Non-Executive	Member	3	3

* Ceased to be member of Audit Committee w.e.f. 06.11.2015

Appointed as member of Audit Committee w.e.f. 21.05.2015

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

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

The Role and terms of reference of the Audit Committee has been defined under section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (earlier Clause 49(iii) of the Listing Agreement)). The Committee, reviews the Internal Audit Reports and action taken reports of the management thereupon. It also reviews and discusses with the management and Statutory Auditors, the quarterly results, financial statements and such other related issues before their submission to the Board.

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

- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the Auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitor the end use of funds raised through public offers and related matters.

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The Company also has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

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

b) Nomination and Remuneration Committee

As on 31st March, 2016, the Nomination and Remuneration Committee comprises of four members namely Shri P.D. Mathur, Chairman of the Committee, Shri N. Gopalswamy, Shri C. Nagaratnam and Shri Deepak Thombre. Ms. Akansha Jain, Company Secretary is the Secretary of the Committee.

During the financial year ended March 31, 2016, four meetings of the Nomination and Remuneration Committee were held on May 21, 2015, July 27, 2015, November 6, 2015 and February 4, 2016. Shri C. Nagaratnam, member of the Audit committee was authorised by the Chairman of the Committee in this behalf to attend the Annual General Meeting of the Company held on 6th August, 2015.

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

Composition and Attendance Record of DRL's Nomination and Remuneration Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopalswamy	Independent	Member	4	3
2. Shri Deepak Thombre	Non-Executive	Member	4	4
3. Shri P.D. Mathur	Independent	Chairman	4	4
4. Shri C. Nagaratnam	Non-Executive	Member	4	4

Performance Evaluation criteria for Independent Directors

Performance evaluation of each Independent Director of the Company was done by the Board of Directors of the Company on the basis of the parameters such as level of engagement, contribution in terms of improving business performance etc. as laid down in the Nomination and Remuneration Policy of the Company.

The terms of reference of Nomination and Remuneration Committee are:

- Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Identifying persons who are qualified to become Directors/Independent Directors in accordance with the criteria laid down.;
- Identifying and selecting potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Recommend to the Board appointment and removal of the aforementioned persons;
- Review and evaluate the performance of the Directors; and
- To carry out any other functions as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may applicable.

Remuneration Policy

The Remuneration Policy of the Company has been annexed to the Report of the Directors and is also available on the Company's website www.dalmiarefractories.com

Remuneration Paid to Directors

The Non-Executive including independent Directors, apart from the sitting fees, are paid a commission of upto 1% of each year's net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013, as approved by the shareholders in their general meeting subject to a maximum of Rs.3 lakhs in aggregate in terms of Articles of Association of the Company. The details of remuneration paid, during the year, to the Directors are given below:-

Details of remuneration paid to Directors for 2015-16

(Rs.lacs)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission	Total
Shri N. Gopaldaswamy	Independent	0.58	-	-	0.36	0.94
Shri Deepak Thombre	Non-Executive	0.50	-	-	0.36	0.86
Shri C. Nagaratnam	Non-Executive	0.53	-	-	0.36	0.89
Shri P.D. Mathur	Independent	0.70	-	-	0.36	1.06
Shri M.K. Doogar	Independent	0.48	-	-	0.36	0.84
Smt. Leena Rawal	Non-Executive	0.25	-	-	-	0.25
Shri Sameer Nagpal*	Non-Executive	-	-	-	-	-

* Shri Sameer Nagpal has been appointed on Board w.e.f. 04.02.2016

c) Stakeholders' Relationship Committee

As on 31st March, 2016, the Committee comprises of four members namely Shri C. Nagaratnam, Shri N. Gopaldaswamy, Shri Deepak Thombre and Shri P.D. Mathur with Shri C. Nagaratnam, Non-Executive Director acting as the Chairman of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee. The Committees' composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Section 178 of the Companies Act, 2013.

The composition of Stakeholders' Relationship Committee and details of meetings attended by the Directors are given below:-

Attendance Record of DRL's Stakeholders Relationship Committee during 2015-16

Name of Members	Category	Status	No. Of Meetings	
			Held	Attended
1. Shri N. Gopaldaswamy	Independent	Member	3	3
2. Shri P.D. Mathur	Independent	Member	3	3
3. Shri Deepak Thombre	Non-Executive	Member	3	3
4. Shri C. Nagaratnam*	Non-Executive	Chairman	2	2

* Appointed as the member of the Committee w.e.f. 21st May, 2015.

The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrar and Share Transfer Agent. Though the powers of approving the transfer of shares/debentures has been delegated to senior executives of the Company, the Committee periodically reviews all matters connected with the Company's transfer/transmission of securities.

The Name and Designation of the Compliance Officer is as follows:-

Ms. Akansha Jain, Company Secretary

During the year, complaints received from investors were resolved in time to the satisfaction of the concerned investors. At the close of the year, there were no cases pending in respect of share transfers. Details regarding the same are given below:-

Details of Complaints from Shareholders during 2015-16

Number of shareholders complaints received in the Financial year (01.04.2015 - 31.03.2016)	38
Number of shareholders complaints not solved to the satisfaction of shareholders	NIL
Number of pending shareholders complaints (as on 31.03.2016)	NIL

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d) Risk Management Committee

As on 31st March, 2016, the Committee comprises of three members namely Shri P.D. Mathur, Chairman of the Committee, Shri N. Gopaldaswamy and Shri C. Nagaratnam. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

The terms of reference of this Committee is to lay down procedures to inform the Board members about the risk assessment and minimisation procedures and to frame, implement, monitor and review the risk management plans for the Company.

Composition and Attendance Record of DRL's Risk Management Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Shri N. Gopaldaswamy	Independent	Member	2	2
2. Shri P.D. Mathur	Independent	Chairman	2	2
3. Shri C. Nagaratnam	Non-Executive	Member	2	2

e) Right Issue Committee

As on 31st March, 2016, the Committee comprises of two members namely Shri P.D. Mathur (Independent Director) and Shri Deepak Thombre (Non-Executive Director). Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee. The Committee met once during the year.

The Right Issue Committee is primarily responsible to review all matters connected with the issue of Non-Convertible Debentures alongwith detachable warrants issued by the Company on rights basis.

IV. FINANCIAL HIGHLIGHTS AND MANAGEMENT DISCUSSION & ANALYSIS

Financial Highlights

(Rs. in lacs)

	F. Y. 2016	F. Y. 2015	Growth %
Sales/Processing charges	20595	18909	8.92%
Net Sales	18790	17213	9.16%
PBT	170	(541)	-
PAT	120	(365)	-

The Net Sales of the Company increased by 9%. The Company has been able to achieve a total revenue of Rs.20595 lakhs (Previous year 18909 lakhs) and profit before tax of Rs.170 lakhs as against the loss of Rs.541 lakhs incurred in the previous year.

Industry Overview & Outlook

Refractories are heat resistant materials manufactured in a wide range of compositions and shapes according to their application. About 70% of the world Refractory production is consumed by steel industry. Other significant consumers of Refractories are cement, lime, aluminum, copper etc. In India, steel and cement Industry consumes around 75% and 12% of refractories produced, respectively. The refractory industry, therefore, is mainly dependent on the growth of cement and steel industry.

Slow growth of Industries like Steel and Iron manufacturing, Cement etc had adversely impacted growth of refractories industry during the year. This has resulted in low domestic and external demand.

The refractory demand is generated from a mixed bag of project and maintenance requirement. The Cement Industry which is the major customer segment for your Company has been operating at about 65% capacity utilisation. This coupled with low priced imports from China has resulted in sluggish demand for refractory products. The demand is likely to improve once the delayed projects take off and capacity plans are again put in place.

The Policy Changes and Initiatives taken by the Government of India in the infrastructure Sector, are expected to bring better growth prospects for the Refractory Industry. Increased Government spending is expected to stimulate private spending which is a positive outlook in the difficult time, the industry is currently passing through.

In the meantime, the Company continues to endeavor focusing on building internal efficiencies and exploring new opportunities and is continuously taking steps through in-house R & D to reduce costs by looking for cheaper alternate materials.

Opportunities

The Government taking steps in several areas including amendments in policy legislations and with likely increase on infrastructure expenditure, refractory installation activity is expected to pick up thereby leading to better growth prospects for the Refractory Industry. Our Company is an established and reputed supplier for Alumina based refractories particularly for the cement plants. It is also looking for increasing its share in other markets, widening its product base, through in-house research & development/tie-ups so as to become a complete refractory solution provider.

Threats, Risks & Concerns

The refractory industry in India, particularly, in Alumina based products, our segment, is highly fragmented which results in strong competitive pressures. With the global players also vying for increasing their share, conditions are likely to be tougher.

Refractory Industry in India is now getting consolidated. Major manufacturers are foreign owned companies having wider access to Raw materials, R & D and marketing network. This is likely to bring several new products and technology in the country for refractory consumers, putting further pressure on the prices and profit margins of refractory products.

High dependence on imports for major raw materials like bauxite and adverse foreign exchange fluctuations continue to be a major risk concern. Uncertainty in demand for the project requirements due to current general slowdown in the economy is another area of concern.

Human Resources

The Company believes in the strength of human resources and constant efforts are made in developing human resources by providing necessary training and taking care of employee welfare. The Company endeavors to keep the employees' motivation level high by providing congenial work atmosphere and other benefits. During the year, the industrial relations continued to be cordial.

Internal Control System and their adequacy

The Company has an appropriate internal control system commensurate with the size of the Company. The Internal Auditor of the Company conducts regular Internal Audit to ensure that the laid down system and procedures are adequate and followed to safeguard various compliances with respect to applicable statutes. The Audit Committee of the Board of Directors periodically review the observations made by the Internal Auditor on the control mechanisms and also suggests recommendations for corrective actions and implementation thereof.

Segment wise Performance

The Company is primarily engaged in manufacture and supply of refractories and is managed organizationally as a single unit. Accordingly, the company is a single business segment company.

V. GENERAL BODY MEETINGS

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

Details of last three AGMs

Financial Year	Date of AGM	Time	Location
2014-2015	06.08.2015	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2013-2014	12.08.2014	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2012-2013	13.08.2013	10.30 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu

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Special resolutions passed during the last three AGMs

Date of AGM	Particulars
06.08.2015	None
12.08.2014	<ol style="list-style-type: none">1. Appointment of Shri N. Gopalswamy as an Independent Director for a term of five consecutive years upto 31st March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.2. Appointment of Shri P.D. Mathur as an Independent Director for a term of five consecutive years upto 31st March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.3. Appointment of Shri M.K. Doogar as an Independent Director for a term of five consecutive years upto 31st March, 2019 in terms of applicable provisions of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.4. Payment of Commission to Independent Non-Executive Directors.
13.08.2013	None

Postal Ballot

No resolutions were passed by Postal Ballot during the year 2015-2016.

Appointment/Reappointment of Directors

Pursuant to the Articles of Association of DRL, at every Annual General Meeting of the Company, one-third of the rotational Directors shall retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. Accordingly, Shri Deepak Thombre, Director of the Company retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Shri Sameer Nagpal was inducted as an Additional Director effective 4th February, 2016 and holds office till the conclusion of ensuing Annual General Meeting.

Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at Annual General Meeting is furnished and forms a part of the notice.

VI. MEANS OF COMMUNICATION WITH SHAREHOLDERS

The quarterly financial results are published in the Financial Express, English Newspaper having nationwide circulation and Makkal Kural, Regional Newspaper, within the stipulated time. These financial results and quarterly shareholding pattern are both physically and electronically filed to the stock exchanges and are also uploaded on Company's website www.dalmiarefractories.com. The Annual Report containing inter alia, the audited financial statements, Directors Report, Auditors Report and other important information is circulated to the members well in advance of the Annual General Meeting.

VII. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date : 24th August, 2016
Time : 11 A.M.
Venue : Dalmiapuram, P.O. Kallakudi-621651,
Distt. Tiruchirapalli, Tamil Nadu.

Financial Calendar

Financial Year : 1st April, 2016 to 31st March, 2017
For the year ended 31st March, 2017, results will be announced:
First quarter : By mid of August, 2016
Second quarter : By mid of November, 2016
Third quarter : By mid of February, 2017
Fourth quarter : By end of May, 2017

Book Closure

The dates of book closure are from 22nd August, 2016 to 24th August, 2016 inclusive of both days.

Dividend Payment

Your directors have recommended a final dividend of Re.0.50/- per equity share of face value of Rs.10/- each for the financial year 2015-16. The dividend will be paid after the approval of shareholders at Annual General Meeting.

If declared, credit/dispatch of dividend warrants will be completed on or before 16th September, 2016.

Corporate Identification Number (CIN): L24297TN1973PLC006372

Listing of Securities

The Equity Shares are listed on the following Stock Exchanges:

- a) Metropolitan Stock Exchange of India Limited,
Vibgyor Towers, 4th Floor, Plot No.C-62, G-Block,
Opp. Trident Hotel, Bandra Kurla Coplex, Bandra (E), Mumbai-400 098
- b) Calcutta Stock Exchange
7, Lyons Range, Kolkata-700 001

The annual listing fee has been paid for the year 2016-17 to both the above-mentioned Stock Exchanges.

Stock Code

Metropolitan Stock Exchange of India Limited : **DALMIAREF**

Stock Market Data

During the year, the equity Shares of the Company has been listed and admitted to dealings on the Metropolitan Stock Exchange of India Limited w.e.f. 09.10.2015. However, no trading has taken place till 31.03.2016.

The last traded price of shares was Rs.112.50 on 29th January, 2015 at NSE. Consequent to voluntary exit of Madras Stock Exchange from stock exchange business, the agreement between National Stock Exchange (NSE) and the said exchange has been discontinued and the shares of the Company are no more being traded on the NSE trading platform with effect from 31st January, 2015.

Registrar and Transfer Agent

Karvy Computershare Private Limited
Unit-Dalmia Refractories Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032
Tel.No.040-67161500; Fax: 040-23001153; Email: einward.ris@karvy.com; Website: www.karvy.com

Share Transfer System

The share transfers in the physical form are presently processed by the Registrar and Transfer Agent and returned within a period of 15 days. The securities of the Company can be traded in electronic form, both on Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). Under the dematerialized system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialized form. The DP will generate a request for the dematerialization, which will be sent by it to the Company's Registrar and Transfer Agent. On receipt of the same the shares will be dematerialized.

Unclaimed Suspense Account

In terms of Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened a Demat Account.

The Company has sent reminder letters to the shareholders to claim their shares in physical form which have been returned undelivered by the postal authorities to the Company's Registrars and Share Transfer Agent. If no response is received, the unclaimed shares shall be credited to a demat suspense account and the voting rights on such shares will be frozen in the event of a poll at the general meetings of the Company.

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Distribution of Shareholding

The distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March, 2016 is given below:

Shareholding Pattern by size

Category (No. of Equity Shares held)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	5325	96.12	405969	12.88
501-1000	114	2.06	79290	2.52
1001-2000	51	0.92	75796	2.40
2001-3000	9	0.16	22928	0.73
3001-4000	7	0.13	25079	0.80
4001-5000	1	0.02	4100	0.13
5001-10000	10	0.18	78603	2.49
10001 and above	23	0.42	2460319	78.05
Total	5540	100.00	3152084	100.00

Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	9	0.16	1210	0.04
Clearing Members	0	0.00	0	0.00
Directors	2	0.04	58	0.00
H.U.F	31	0.56	11997	0.38
Bodies Corporate	69	1.25	35279	1.12
Non Resident Indians	14	0.26	2278	0.07
Promoter Bodies Corporate	19	0.36	2043577	64.83
Resident Individuals	5395	97.39	1057635	33.55
Trusts	1	0.02	50	0.00
Total	5540	100.00	3152084	100.00

Dematerialisation of Securities

The securities of the Company can be traded in electronic form, both on Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The annual custodial fee has already been paid for the year under review and for the year 2016-17.

ISIN No. (for Dematerialised Shares) : INE200F01017,

ISIN No. (for Dematerialised Non Convertible-Debentures) : INE200F07014

As on 31st March, 2016, 90.10% of Equity Shares of the Company were held in dematerialization form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

Nil

Details of Plant Locations and Address for Correspondence

Registered Office Address & Dalmiapuram Plant	Khambalia Plant	Katni Plant	Head Office and Correspondence Address
<p>Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)</p> <p>Dalmiapuram, P.O. Kallakudi-621651 Dist. Tiruchirapalli, Tamil Nadu</p> <p>Ph: 04329-235133/144/155 Fax: 04329-235122</p>	<p>Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)</p> <p>P.Box No.10, Jam-Khambalia-361305, Dist.Devbhumi Dwarka, Gujarat</p> <p>Ph: 02833-234112 Fax: 02833-234038</p>	<p>Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)</p> <p>Plot No.8 & 13, Phase-III, Lamtara Industrial area, Katni-483501 Madhya Pradesh Ph: 07622-266259 Fax: 07622-266306</p>	<p>Dalmia Refractories Ltd. (formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)</p> <p>4, Scindia House, Connaught Place, New Delhi-110001 Ph:011-23457100 Fax: 011 -23324136 Website: www.dalmiarefractories.com</p>

Address for Communication

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agents of the Company. Complaints, if any, may also be addressed to the Company Secretary by email at investorquery.rf@dalmiarf.com.

Website

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

VIII. DISCLOSURES

Related Party Transaction

All related party transactions are approved by the Audit Committee. There were no materially significant related party transactions which may have potential conflict with the interests of the Company at large. The Related Party Transaction Policy is available on the Company's website www.dalmiarefractories.com

Details of Non-Compliance by the Company

DRL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Whistle Blower Policy

The Company has an established mechanism for Directors, Employees and stakeholders to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company has formulated a Whistle Blower Policy and Vigil Mechanism which is also available on the Company's website www.dalmiarefractories.com.

Compliance

The company is fully compliant with the applicable mandatory requirements of Corporate Governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

The Company is complying with all corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations.

Adoption of Non Mandatory Requirements

Although it is not mandatory, Risk Management Committee of the Board is in place. Details of the said Committee have been provided under the head "Committees of the Board" above.

DALMIA REFRACTORIES LIMITED

Subsidiary

The Company does not have a Subsidiary; hence the disclosures in this regard are not applicable.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The accounting treatment(s) in preparation of financial statements followed by the Company is/are the same as prescribed in the Accounting Standards.

Code of Conduct

DRL's Board has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code has also been posted on the Company's website.

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

Code for Prevention of Insider-Trading Practices

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

CEO/CFO certification

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

To
The Board of Directors,
Dalmia Refractories Limited
(formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)

Dear Sirs,

1. We have reviewed the Financial Statements and the Cash Flow Statements as at 31st March, 2016 and certify that to the best of our knowledge and belief.
 - 1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
 - 2) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: New Delhi
Dated: May 23, 2016

SUDHIR KUMAR SRIVASTAVA
Chief Financial Officer

C.N. MAHESHWARI
Chief Executive Officer

DALMIA REFRACTORIES LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Dalmia Refractories Limited
(formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)

We have examined the compliance of conditions of Corporate Governance by Dalmia Refractories Limited for the year ended 31st March, 2016, as stipulated in Corporate Governance regulations of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 (erstwhile clause 49 of the Listing Agreement) with the documents and records maintained by the Company and the report on Corporate Governance as adopted by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No.000756N

Place: New Delhi
Dated: May 23, 2016

KAMAL KISHORE
PARTNER
Membership No.078017

To
The Board of Directors,
Dalmia Refractories Limited
(Formerly Shri Nataraj Ceramic and Chemical Industries Ltd.)

Dear Sirs,

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all members of the Board of Directors of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2016.

Place: New Delhi
Dated: May 23, 2016

C.N. MAHESHWARI
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DALMIA REFRACTORIES LIMITED
(Formerly known as Shri Nataraj Ceramic and Chemical Industries Limited)

Report On the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Dalmia Refractories Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

DALMIA REFRACTORIES LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report On Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in clauses 3 and 4 of the Order;

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordingly to the explanations given to us;
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 1.2 to the financial statements;
 - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No.000756N

KAMAL KISHORE
PARTNER
Membership No.078017

Place: New Delhi
Date: May 23, 2016

**Re: Dalmia Refractories Limited (Formerly known as Shri Nataraj Ceramic and Chemical Industries Limited)
Annexure A to Independent Auditors' Report**

Referred to in Clause 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except stock in transit which have been verified with reference to confirmations and / or subsequent receipt of material. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits during the year, as per directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed thereunder. Neither an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, neither any proceeding is pending before such authority.
- (vi) We have broadly reviewed the cost accounting records maintained by the Company pursuant to the 'The Companies (Cost Records and Audit) Rules, 2014' as notified by notification no. 425(E) dated 30th June, 2014 of Ministry of Corporate Affairs, Government of India under section 148 of the Companies Act, 2013. We are of the opinion that, prima facie, the prescribed accounts and records have been maintained by the Company. We are, however, not required to make a detailed examination of such books and records.
- (vii) (a) In our opinion, and according to the information and explanations given to us and according to the records of the Company, the amount deducted/accrued in the books of account in respect of undisputed statutory dues provident fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Customs duty, Excise duty, Value added Tax, Cess and other material statutory dues, where applicable, have been regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2016.

DALMIA REFRACTORIES LIMITED

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Custom duty, Wealth tax, and cess which have not been deposited on account of any dispute, except the following in respect of disputed Excise duty, Service tax, Value added tax and Sales tax.

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
1.	Central Excise & Salt Act, 1944	Excise Duty	2.85	May' 2008 to August' 2010	Commissioner (Appeals), Trichy
2.	Central Excise & Salt Act, 1944	Excise Duty	1.15	September' 2010 to June' 2011	CESTAT, Chennai
3.	Finance Act, 1994	Service Tax	25.47	2004-05 to 2011-12	CESTAT, Ahmedabad
4.	Finance Act, 1994	Service Tax	32.92	2008-09 to 2014-15	Commissioner Appeals (Rajkot)
5.	The Gujarat VAT Tax Act, 2003	Sales Tax	35.07	2001-02	Gujarat High Court
6.	Central Excise & Salt Act, 1944	Cenvat Credit	10.44	May'2004 to September' 2005	CESTAT, Chennai

- (viii) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to any financial institutions, banks, Government & debenture holders.
- (ix) The Company did not raise any money by the way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No.000756N

Place: New Delhi
Date: May 23, 2016

KAMAL KISHORE
PARTNER
Membership No.078017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Dalmia Refractories Limited** ("the Company") as at 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

DALMIA REFRACTORIES LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No.000756N

Place: New Delhi
Date: May 23, 2016

KAMAL KISHORE
PARTNER
Membership No.078017

**BALANCE SHEET
AS AT MARCH 31, 2016**

Particulars	Note No.	As at 31 st March, 2016		As at 31 st March, 2015	
		Rs.	Rs.	Rs.	Rs.
(Rs. In lacs)					
I. EQUITY AND LIABILITIES					
(1) Shareholders' Fund					
(a) Share Capital	2	315.21		315.21	
(b) Reserves and Surplus	3	5,125.98	5,441.19	5,024.34	5,339.55
(2) Non-Current liabilities					
(a) Long term borrowings	4	124.95		484.95	
(b) Deferred tax liabilities (Net)	5	114.63		65.34	
(c) Other long term liabilities	6	-		5.40	
(d) Long term provisions	7	89.05	328.63	81.01	636.70
(3) Current Liabilities					
(a) Short term borrowings	8	2,392.14		3,717.26	
(b) Trade payables	9	2,957.85		2,725.20	
(c) Other current liabilities	10	1,294.81		1,198.72	
(d) Short term provisions	11	28.23	6,673.03	28.10	7,669.28
TOTAL			12,442.85		13,645.53
II. ASSETS					
(1) Non-Current assets					
(a) Fixed Assets					
(i) Tangible assets	12	3,328.25		3,416.34	
(ii) Intangible assets	12	7.92		15.30	
(iii) Capital work in progress	12	49.76		161.12	
		3,385.93		3,592.76	
(b) Non-current investments	13	494.62		494.62	
(c) Long term loans and advances	14	331.88		260.64	
(d) Other non current assets	15	3.51	4,215.94	3.47	4,351.49
(2) Current Assets					
(a) Current Investments	16	0.27		0.26	
(b) Inventories	17	4,054.39		4,899.47	
(c) Trade receivables	18	2,942.53		3,406.49	
(d) Cash and cash equivalents	19	509.71		207.68	
(e) Short term loans and advances	20	716.68		776.90	
(f) Other current assets	21	3.33	8,226.91	3.24	9,294.04
			12,442.85		13,645.53

Significant accounting policies 1

The notes referred to above form an integral part of the financial statements
This is the balance sheet referred to in our report of even date

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Registration No.000756N

**KAMAL KISHORE
Partner**

Membership No.078017

New Delhi, May 23, 2016

C.N. Maheshwari
Chief Executive Officer

S.K. Srivastava
Chief Financial Officer

Akansha Jain
Company Secretary

For and on behalf of the Board

N. Gopaldaswamy
Director
DIN:00017659

C. Nagaratnam
Director
DIN:00266838

DALMIA REFRACTORIES LIMITED

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Note No.	(Rs.in lacs)			
		For the Year ended 31 st March, 2016		For the Year ended 31 st March, 2015	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	22	20,595.48		18,909.44	
Less: Excise Duty		<u>1,805.77</u>		<u>1,696.83</u>	
		18,789.71		17,212.61	
II Other Income	23	<u>183.13</u>		<u>307.95</u>	
Total revenue		<u>18,972.84</u>		<u>17,520.56</u>	
III Expenses					
Cost of materials consumed	24	9,177.04		9,435.03	
Purchases of Traded Goods/Services (Increase)/Decrease in finished and semi finished goods	25	2,116.30		2,167.38	
Remuneration and benefits to employees	26	96.71		(685.35)	
Financial expenses	27	2,423.88		2,245.47	
Depreciation and amortization expenses	28	270.08		360.89	
Other expenses	12	374.49		323.71	
	29	<u>4,344.45</u>		<u>4,214.61</u>	
Total Expenses		<u>18,802.95</u>		<u>18,061.74</u>	
Profit/(Loss) before exceptional and extraordinary items and tax		169.89		(541.18)	
Less: Exceptional items		-		-	
Profit/(Loss) before extraordinary items and tax		169.89		(541.18)	
Less: Extraordinary items		-		-	
Profit/(Loss) before tax		169.89		(541.18)	
Less: Tax expenses					
- Current tax		66.00		-	
- MAT Credit Adjustment		(66.00)		-	
- Deferred tax		49.29		(168.52)	
- Income tax adjustment for earlier years		<u>(0.01)</u>	49.28	<u>(8.01)</u>	(176.53)
Profit/(Loss) for the year		120.61		(364.65)	
Earning per equity share (Nominal Value of Equity Share Rs.10/- each)					
(1) Basic (Rs.)		3.83		(11.82)	
(2) Diluted (Rs.)		3.83		(11.82)	

Significant accounting Policies

1

The notes referred to above form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For S.S. KOTHARI MEHTA & CO.**For and on behalf of the Board**

Chartered Accountants

Firm Registration No.000756N

C.N. Maheshwari
Chief Executive OfficerN. Gopalaswamy
Director
DIN:00017659**KAMAL KISHORE****Partner**

Membership No.078017

S.K. Srivastava
Chief Financial OfficerAkansha Jain
Company SecretaryC. Nagaratnam
Director
DIN:00266838

New Delhi, May 23, 2016

NOTE-1

(I) OVERVIEW

The Company is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. The Company is having manufacturing Units at Dalmiapuram (Tamil Nadu), Khambalia and Katni (Madhya Pradesh) and its corporate office is situated at New Delhi. The Securities of the Company were listed at Calcutta Stock Exchange and pursuant to application made to Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.) for listing of its equity share capital, the same has been listed and admitted to dealings on the said exchange w.e.f. 9th October, 2015.

(II) SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on going concern basis, in terms of the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amounts of income and expenses for the period, the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as on the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon managements based knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

c. Fixed Assets and Depreciation

- i) Fixed Assets are stated at cost of acquisition or construction and include interest on specific borrowings for new projects upto commissioning.
- ii) Leasehold Land is being amortised over the lease period.
- iii) Depreciation is provided on straight line method for the fixed assets at Dalmiapuram, Khambalia, and Katni Works and written down value method for the fixed assets at New Delhi Office considering the useful life prescribed in schedule II of the Companies Act, 2013.
- iv) Certain Plant & Machinery has been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

d. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed to the extent the recoverable amount exceeds the carrying amount.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

e. Intangible Assets

Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognised as Intangible Assets in accordance with principles given under AS-26 Intangible Assets. These are grouped and separately shown under the schedule of Fixed Assets. These are amortized over their respective expected useful lives not exceeding 10 years.

f. Valuation of Inventories

- (a) Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.
- (b) Historical cost is determined on the basis of real time weighted average method.
- (c) Excise duty is included in the valuation of finished goods and by-product inventory.

g. Investments

Long Term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS-13 Accounting for Investments if the decline/diminution is other than temporary. Current Investments are stated at lower of cost or market/fair value.

h. Revenue Recognition

- (a) Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory. Quality rebates, claims and other discounts are disclosed separately.
- (b) Domestic Sales includes excise duty. However, excise duty on sales is reduced from gross turnover for disclosing net turnover.
- (c) Inter-divisional sales is reduced from gross turnover in deriving net turnover.

i. Other Income

- a) Claims receivable
The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.
- b) Income from Investment
Income from Investment is accounted for on accrual basis when the right to receive income is established.

j. Foreign Currency Conversion/Transaction

Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate on the date of the transaction.

Exchange differences arising on settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

The premium or discount arising at the inception of forward exchange contract is amortised as an expense or income over the life of the contract.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

k. Employee Benefits

(a) Defined Contribution Plan:

Employee benefits in the form of the Company's contribution to provident fund, pension scheme, superannuation fund and ESI are considered as defined contribution plan and charged to statement of profit and loss account of the year when the contribution to the respective funds are due.

(b) Defined Benefit Plan:

Retirement benefits in the form of gratuity and leave encashment are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the balance sheet using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(c) The expenditure on voluntary retirement schemes is charged to statement of profit and loss account in the year in which it is incurred.

l. Segment Reporting

Segmental accounting policies are in line with the accounting policies of the company. However, the following specific accounting policies have been followed for segment reporting:

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses/incomes, not allocable to any segments, are included under "Unallocable items/others".
- (c) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities not allocable to any segment.

m. Taxes on Income

- (a) Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.
- (b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income', Deferred Tax Liability/Asset arising from timing differences between book and income tax profits is accounted for at the tax rates which are enacted or substantively enacted at the Balance Sheet date to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognised only if there is a reasonable/virtual certainty of realisation thereof.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets neither recognised in the Accounts nor disclosed in the notes to accounts.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

o. Leases

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in statement of Profit and Loss. Account

p. Borrowing costs

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

q. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/cheques in hand and short term deposits with Banks.

R. Government Grants and Subsidies

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' fund. Revenue subsidy has been credited in the statement of Profit & Loss Account on receipt basis.

NOTE - 2 - SHARE CAPITAL

Particulars	(Rs. In lacs)			
	As at 31 st March, 2016		As at 31 st March, 2015	
	Number	Rs.	Number	Rs.
Authorised:				
Equity shares of Rs.10 each	50,00,000	500.00	50,00,000	500.00
		500.00		500.00
Issued, subscribed and fully paid up:				
Equity Shares of Rs.10 each				
At the beginning of the reporting period	31,52,084	315.21	31,52,084	315.21
Issued during the reporting period	-	-	-	-
At the close of the reporting period	31,52,084	315.21	31,52,084	315.21

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

During the year ended 31st March, 2016 the amount of per share dividend recognize as distribution to equity shareholders was **Re.0.50** (previous year Re.0.50). The Company declares Dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

- b) **Aggregate number of shares issued during the period of five years immediately preceding the reporting date.**

During the financial year 2010-11 the Board of Directors have exercised the call option in respect of detachable warrants as attached with 6% NCDs as per the terms of issue and called upon all the existing warrant holders to submit their applications for conversion of the warrants held by them into equity shares of the Company. Warrant holders holding 23,52,084 warrants exercised the options and consequently the company allotted 23,52,084 equity shares of Rs.10 each fully paid up. The funds have been utilized for long term working capital and general corporate purposes as defined in the Letter of Offer.

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
-------------	------------------------------------	------------------------------------

- c) **Details of Shareholders holding more than 5% shares in the Company.**

Equity Shares of Rs.10 each fully paid up	<u>No. of Share</u>	<u>% of Holding</u>	<u>No. of Share</u>	<u>% of Holding</u>
i) Mayuka Investment Limited	614396	19.49	614396	19.49
ii) Ankita Pratisthan Limited	402091	12.76	402091	12.76
iii) Sita Investment Co. Limited	312300	9.91	312300	9.91
iv) Alirox Abrasives Limited	247187	7.84	247187	7.84
v) Mahendra Girdharilal Wadhawani	181067	5.74	181067	5.74
vi) Rama Investment Co. Private Limited	176728	5.61	176728	5.61

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE - 3 - RESERVES & SURPLUS

Particulars	(Rs. In lacs)	
	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
a) Capital Reserve		
Balances as per last financial statements	<u>5.00</u>	<u>5.00</u>
Closing Balance	<u>5.00</u>	<u>5.00</u>
b) Securities Premium Account		
Balances as per last financial statements	<u>588.02</u>	<u>588.02</u>
Closing Balance	<u>588.02</u>	<u>588.02</u>
c) Debenture Redemption Reserve		
Balances as per last financial statements	<u>120.00</u>	<u>120.00</u>
Closing Balance	<u>120.00</u>	<u>120.00</u>
d) General Reserve		
Balances as per last financial statements	674.82	664.82
Add: Amount transferred from surplus balance in the statement of Profit and Loss	<u>10.00</u>	<u>10.00</u>
Closing Balance	<u>684.82</u>	<u>674.82</u>
e) Surplus in the statement of profit and loss		
Balances as per last financial statements	3,636.50	4,043.29
Add: Profit (Loss) for the year	120.61	(364.65)
Add: Impact of deferred tax due to change in depreciation rate with regard to Companies Act, 2013.	-	6.14
Less: Effect of change in depreciation as per Companies Act, 2013	-	19.31
Less: Appropriations		
- Proposed Dividends	15.76	15.76
- Corporate Dividend Tax	3.21	3.21
- Transfer to Reserves	<u>10.00</u>	<u>10.00</u>
Closing Balance	<u>3,728.14</u>	<u>3,636.50</u>
	<u>5,125.98</u>	<u>5,024.34</u>

NOTE - 4 - LONG TERM BORROWINGS

Secured Loans:

a. Debentures		
6% Non Convertible Debentures	-	240.00
b. Term Loans		
- From Banks	<u>124.95</u>	<u>244.95</u>
	<u>124.95</u>	<u>484.95</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1) Debentures

- i) 6% Non Convertible Debentures will be redeemed at the face value of Rs.10 each at the end of seven years or earlier as decided by the Board from the date of issue i.e. 14.08.2009 i.e. on or before 13.08.2016.
- ii) 6% Non Convertible Debentures are Secured by Hypothecation and Pari Passu charge on Company's moveable and fixed assets at its Dalmiapuram Unit.

2) Terms Loans

- i) Loans of **Rs.244.95 lacs** (Previous Year Rs.412.95 lacs) as shown in long term borrowings and current maturities of long term debts in Note-10 are secured by equitable mortgage of Factory Land and Building at Dalmiapuram, Khambalia and Katni Units of the Company. In addition to that secured by first charge over moveable fixed assets and hypothecation of Stocks and other current assets as collateral extension.
- ii) Repayments and interest rates for the above term loans are as follows :-

Year	2016-17	2017-18	2018-19
Amount	120.00	120.00	4.95

The interest rate for the above Term Loans varies from 12.00% to 12.90%

Particulars	(Rs.In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
NOTE - 5 - DEFERRED TAX LIABILITY		
a) Deferred tax liability:		
On account of depreciation on fixed assets	315.13	306.00
b) Deferred tax assets:		
On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	34.02	31.20
On account of unabsorbed depreciation & business losses	87.13	187.29
On account of provision for doubtful debts	79.35	22.17
(Refer Note 1.13)	114.63	65.34
NOTE - 6 - OTHER LONG TERM LIABILITIES		
a) Others	-	5.40
	-	5.40
NOTE - 7 - LONG TERM PROVISIONS		
Provisions for employee benefits	89.05	81.01
	89.05	81.01
NOTE - 8 - SHORT TERM BORROWINGS		
Secured Loans:		
Cash credit from banks	2,012.02	3,027.51
Buyers Credit	380.12	689.75
	2,392.14	3,717.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Cash credit from banks is secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, stores, spares, book debts and moveable fixed assets at the Company's Dalmiapuram, Khambalia and Katni Units.

The Cash Credit is repayable on demand and carries interest and varies from 10.70% to 12.50%.

Particulars	(Rs.In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015

NOTE - 9 - TRADE PAYABLE

a) To Micro, Small and Medium Enterprises*	-	-
b) Others	<u>2,957.85</u>	<u>2,725.20</u>
	<u>2,957.85</u>	<u>2,725.20</u>

* Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since there are no such parties identified based on the information so far available, the disclosure regarding overdue amounts and interest payable thereon are not given.

Particulars	(Rs.In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015

NOTE - 10 - OTHER CURRENT LIABILITIES:

a) Current Maturities of debentures	240.00	-
b) Current Maturities of long term debts	120.00	168.00
c) Interest accrued but not due on borrowings	15.72	23.68
d) Unclaimed dividends*	20.59	19.78
e) 6% NCD Application money*	0.08	0.11
f) Statutory Liabilities	276.51	245.16
g) Advance from Customers	516.30	704.24
h) Others	<u>105.61</u>	<u>37.75</u>
	<u>1,294.81</u>	<u>1,198.72</u>

* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During previous year Rs.2.39 lacs on account of unclaimed dividend was credited to the Investor Education and Protection Fund.

NOTE - 11 - SHORT TERM PROVISIONS:

a) Provision for employee benefits	9.26	9.13
b) Proposed Dividend	15.76	15.76
c) Corporate Dividend Tax thereon	<u>3.21</u>	<u>3.21</u>
	<u>28.23</u>	<u>28.10</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE - 12 - FIXED ASSETS

	(Rs. In lacs)									
	Tangible Assets							Intangible Assets		
	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equip-ment	Furniture and Fixtures	Vehicles	Total	Com-puter Soft-ware	Grand Total
Cost										
As at 1 st April, 2014	13.90	85.89	838.38	3,771.09	216.53	89.79	25.27	5,040.85	-	5,040.85
Additions	671.21	-	22.35	760.10	8.22	0.09	-	1,461.97	22.08	1,484.05
Disposals	-	-	-	-	0.35	-	4.58	4.93	-	4.93
As at 31st March, 2015	685.11	85.89	860.73	4,531.19	224.40	89.88	20.69	6,497.89	22.08	6,519.97
Additions	-	-	64.84	221.43	10.91	1.72	-	298.90	-	298.90
Disposals	-	-	-	44.57	5.90	-	10.21	60.68	-	60.68
As at 31st March, 2016	685.11	85.89	925.57	4,708.05	229.41	91.60	10.48	6,736.11	22.08	6,758.19
Depreciation										
As at 1 st April, 2014	-	11.30	271.11	2,246.25	132.95	75.90	12.73	2,750.24	-	2,750.24
Charge for the year	-	3.01	26.17	243.32	54.88	5.26	3.60	336.24	6.78	343.02*
Disposals	-	-	-	-	0.35	-	4.58	4.93	-	4.93
As at 31st March, 2015	-	14.31	297.28	2,489.57	187.48	81.16	11.75	3,081.55	6.78	3,088.33
Charge for the year	-	3.02	26.15	313.05	20.56	2.21	2.12	367.11	7.38	374.49
Disposals	-	-	-	24.82	5.85	-	10.13	40.80	-	40.80
As at 31st March, 2016	-	17.33	323.43	2,777.80	202.19	83.37	3.74	3,407.86	14.16	3,422.02
Net Block										
As at 31 st March, 2015	685.11	71.58	563.45	2,041.62	36.92	8.72	8.94	3,416.34	15.30	3,431.64
As at 31st March, 2016	685.11	68.56	602.14	1,930.25	27.22	8.23	6.74	3,328.25	7.92	3,336.17

CAPITAL WORK IN PROGRESS

As at 31st March, 2015 161.12

As at 31st March, 2016 49.76

NOTE:

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1st April 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with provisions of Schedule II to the Act. In case of Fixed assets which have already completed their useful life in terms of Schedule II of the Act, the carrying value (net of residual value) of such assets as at 1st April, 2014 amounting to Rs.13.17 lacs (net of deferred tax amounting to Rs.6.14 lacs) was adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per the re-calculated remaining useful life. The depreciation and amortisation expense charged for the period ended 31st March, 2015 would have been lower by Rs.34.96 lacs, had the Company continued with the previously prescribed depreciation rates as per Schedule-XIV of Companies Act, 1956."

***During the previous year Rs.19.31 lacs adjusted with retained earning and balance Rs.323.71 lacs charged to Profit & Loss Account.**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Details of Investments	(Rs. In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
NOTE - 13 - NON CURRENT INVESTMENTS:		
a) Trade Investments	-	-
b) Other than Trade Investments		
i) Quoted fully paid up Equity Shares of Others		
- Dalmia Bharat Sugar & Industries Ltd. 1000 (Previous year 1,000) Equity Shares of Rs.2 each	0.64	0.64
- Dalmia Bharat Limited 349476 (Previous year 349476) Equity Shares of Rs.2 each	493.98	493.98
	<u>494.62</u>	<u>494.62</u>
Aggregate book value of quoted investments	494.62	494.62
Aggregate book value of unquoted investments	0.00	0.00
Market Value of quoted investments	2,784.22	1,478.46

**NOTE - 14 - LONG TERM LOANS AND ADVANCES:
(Unsecured, considered good)**

a) Security Deposits	83.35	77.32
b) To employees	19.36	22.15
c) Income Tax (Net of Provision Rs.133 lacs , previous year Rs.167 lacs)	163.17	161.17
d) MAT credit entitlement (Refer Note 1.13)	66.00	-
	<u>331.88</u>	<u>260.64</u>

NOTE - 15 - OTHER NON-CURRENT ASSETS:

Deposits with original maturity more than 12 months (Pledged with banks towards margin)	3.51	3.47
	<u>3.51</u>	<u>3.47</u>

NOTE - 16 - CURRENT INVESTMENTS:

Details of Investments	No. of Units	(Rs. In lacs)		
		As at 31 st March, 2016	No. of Units	As at 31 st March, 2015
Investments in Mutual funds:				
HDFC Floating Rate Fund (Valued at lower of cost or fair value)	2659	<u>0.27</u>	2517	<u>0.26</u>
		0.27		<u>0.26</u>
Aggregate Book value of unquoted Investments		0.27		0.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016
(Rs.in lacs)

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
NOTE - 17 - INVENTORIES:		
a) Raw materials	1,593.77	2,442.12
b) Raw materials in transit	75.07	11.09
c) Finished goods	1,736.24	1,804.75
d) Semi Finished Goods	261.82	290.02
e) Stores and spares	370.93	343.95
f) Stores and Spares in transit	9.49	-
g) Loose tools	7.07	7.54
	<u>4,054.39</u>	<u>4,899.47</u>
NOTE - 18 - TRADE RECEIVABLES:		
a) Secured	-	-
b) Unsecured		
Exceeding six months		
- Considered good	469.37	1,098.10
- Considered Doubtful	226.24	64.08
	695.61	1,162.18
Less: Provision for bad and doubtful debts	226.24	64.08
	469.37	1,098.10
Others		
- Considered Good	2,473.16	2,308.39
	<u>2,942.53</u>	<u>3,406.49</u>

Particulars	Non-Current		Current	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
NOTE - 19 - CASH AND CASH EQUIVALENTS:				
a) Balance with Banks				
- Earmarked for unpaid dividend	-	-	20.59	19.81
- Earmarked for margin money and guarantees	-	-	0.80	0.74
- Deposits with original maturity more than 12 months	3.51	3.47	-	-
- Balances in Current Accounts	-	-	478.58	150.64
- Earmarked for NCD Application Money	-	-	0.08	0.11
b) Cheques in hand	-	-	3.16	27.39
c) Cash in hand	-	-	6.39	8.89
d) Others	-	-	0.11	0.10
	3.51	3.47	509.71	207.68
Amount disclosed under other non-current assets Note-15	3.51	3.47	-	-
	-	-	509.71	207.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	(Rs. In lacs)	
	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
NOTE - 20 - SHORT TERM LOANS AND ADVANCES: (Unsecured, considered good)		
a) To employees	12.17	14.01
b) Prepaid expenses	42.45	32.85
c) Balance with Govt. Authorities & Others	516.28	630.39
d) Others	148.78	99.65
Less: Provision for doubtful advances	<u>3.00</u>	<u>-</u>
	<u>145.78</u>	<u>99.65</u>
	<u>716.68</u>	<u>776.90</u>

NOTE - 21 - OTHER CURRENT ASSETS:

Interest receivable	<u>3.33</u>	<u>3.24</u>
	<u>3.33</u>	<u>3.24</u>

Particulars	(Rs. In lacs)	
	For the Year Ended 31 st March, 2016	For the Year Ended 31 st March, 2015

NOTE - 22 - REVENUE FROM OPERATIONS:

Refractories	17,312.14	16,018.22
Calcined Bauxite	74.39	303.48
Self Consumption	20.88	89.56
Inter Segment/Unit Transfer	1,257.06	723.33
Traded Goods	1,757.60	1,703.76
a) Sale of services	455.47	604.57
b) Other operating revenues		
Sale of non-plant grade bauxite	892.49	103.91
Scrap Sales	<u>82.51</u>	<u>85.94</u>
	<u>21,852.54</u>	<u>19,632.77</u>
Less: Inter Segment/Unit Transfer	<u>1,257.06</u>	<u>723.33</u>
	<u>20,595.48</u>	<u>18,909.44</u>

NOTE - 23 - OTHER INCOME:

a) Interest income from Banks and others (Tax deducted at source Rs.0.30 lacs , previous year Rs.0.67 lacs)	7.52	11.78
b) Dividend Income		
- From long term investments	12.24	6.99
- From current investments	0.01	0.02
c) Profit on sale of fixed assets	5.31	0.45
d) Profit on sale of investments	-	-
e) Provision/Liability no longer required written back	101.03	53.93
f) Other income	<u>57.02</u>	<u>234.78</u>
	<u>183.13</u>	<u>307.95</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Rs. In lacs)

Particulars	For the Year Ended 31 st March, 2016		For the Year Ended 31 st March, 2015	
NOTE - 24 - COST OF MATERIALS CONSUMED:				
Consumption of raw materials	<u>Qty. M.T.</u>	<u>Rs.</u>	<u>Qty. M.T.</u>	<u>Rs.</u>
- Clay	26769	267.64	33135	404.85
- Bauxite	56437	6,115.26	55632	6,436.09
- Other Materials		<u>4,051.20</u>		<u>3,317.42</u>
		<u>10,434.10</u>		<u>10,158.36</u>
Less: Inter Unit Transfer		<u>1,257.06</u>		<u>723.33</u>
		<u>9,177.04</u>		<u>9,435.03</u>
NOTE - 25 - PURCHASE OF TRADED GOODS/SERVICES:		2,116.30		2,167.38
NOTE - 26 - (INCREASE)/DECREASE IN STOCKS OF FINISHED AND SEMI-FINISHED GOODS:				
Closing Stocks				
a) Finished Goods		1,736.24		1,804.75
b) Semi-Finished Goods		<u>261.82</u>		<u>290.02</u>
Total		<u>1,998.06</u>		<u>2,094.77</u>
Less: Opening Stocks				
a) Finished Goods		1,804.75		1,269.32
b) Semi-Finished Goods		<u>290.02</u>		<u>140.10</u>
Total		<u>2,094.77</u>		<u>1,409.42</u>
		96.71		(685.35)
NOTE - 27 - REMUNERATION AND BENEFITS TO EMPLOYEES:				
a) Salaries and wages		2,144.11		1,984.34
b) Contribution to provident and other funds		99.89		91.48
c) Gratuity and Pension		64.41		35.97
d) Staff welfare expenses		<u>115.47</u>		<u>133.68</u>
		<u>2,423.88</u>		<u>2,245.47</u>
NOTE - 28 - FINANCE COSTS:				
Interest				
On Term Loans		39.75		64.64
On Borrowing From Banks		214.05		279.51
On Debentures		14.40		14.40
On Others		<u>1.88</u>		<u>2.34</u>
		<u>270.08</u>		<u>360.89</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016**(Rs. In lacs)**

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
NOTE - 29 - OTHER EXPENSES:		
a) Consumption of Stores & Spares Parts	214.46	201.54
b) Power and fuel	1,290.41	1,642.35
c) Packing Freight & Transport (Net after recoveries of Rs.271.44 lacs , previous year Rs.299.07 lacs)	572.66	522.78
d) Commission	411.53	336.19
e) Rebates, Discounts & Allowances	24.74	8.30
f) Rent	6.58	5.00
g) Repair and maintenance		
- Buildings	25.95	67.35
- Plant and Machinery	431.73	461.04
- Others	56.38	<u>70.97</u>
	514.06	599.36
h) Insurance	36.61	30.90
i) Rates and taxes	30.88	37.41
j) Payment to the auditor		
- Audit Fees	3.50	3.50
- Other services	3.13	2.25
- Reimbursement of expenses	3.06	<u>1.88</u>
	9.69	7.63
k) Advertisement & Publicity	4.77	6.98
l) Provision for doubtful debts/advances	229.24	-
m) Bad debts written off	78.82	-
n) Loss on sale of fixed asset	8.53	-
o) Travelling	120.83	117.72
p) Donations	0.89	1.16
q) Legal charges	0.35	3.40
r) Variation of Excise Duty on Closing Stock	4.48	31.59
s) Bank charges	56.67	94.40
t) Fixed Assets written off	2.16	-
u) Write off of Lease Money	0.01	0.01
v) Foreign Exchange Fluctuation (Net of Income of Rs.56.68 lacs , previous year Rs.20.19 lacs)	90.16	43.86
w) Miscellaneous expenses	635.92	524.03
	<u>4,344.45</u>	<u>4,214.61</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	(Rs. In lacs)	
	For the Year Ended 31 st March, 2016	For the Year Ended 31 st March, 2015

NOTE - 30 -Additional Information :

a) Value of Imports calculated on CIF basis		
i) Raw Materials	3,233.35	4,394.45
ii) Components and spares parts	-	-
iii) Capital goods	38.00	613.89
b) Expenditure in foreign currency: (net of withholding tax)		
i) Interest	7.87	1.68
ii) Travelling/Subscription expenses/Professional charges etc.	22.48	22.05
c) Earnings in Foreign Exchange		
i) Export of goods calculated on F.O.B. basis	874.09	658.93
ii) Others	-	195.89

Particulars	For the Year Ended 31 st March, 2016		For the Year Ended 31 st March, 2015	
	Amount	% to total	Amount	% to Total

d) Details regarding imported and indigenous Materials Consumed				
1. Spare Parts & Components				
- Indigenous	214.46	100.00	201.54	100.00
- Imported	-	-	-	-
Total	214.46	100.00	201.54	100.00
2. Raw Materials				
- Indigenous	4,777.43	52.06	5,381.33	57.04
- Imported	4,399.61	47.94	4,053.70	42.96
Total	9,177.04	100.00	9,435.03	100.00
e) Details of non-resident shareholding for payment of dividend				
i) Number of nonresident shareholders		13		14
ii) Number of shares held by nonresident shareholders		2268		3268
iii) Amount remitted during the year in Indian Rupees on account of dividend		Rs.1,134		Rs.3,268

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

f) Detailed information about goods manufactured and traded in :

Particulars	Refractory	Calcined Bauxite
Licensed Capacity	N.A.	N.A.
Installed Capacity (MT)*	104400	24000
(As certified by the management)	(104400)	(24000)
Production (MT)	83297	14505*
	(82228)	(13271)*
Sales (MT)	81450	810
	(79336)	(3278)
Sales (Rs. Lacs)	17312.14	74.39
	(16018.22)	(303.48)
Self Consumption (MT)	234	-
	(786)	(-)
Self Consumption (Rs. Lacs)	20.88**	-
	(89.56)**	(-)
Inter Unit Transfer (MT)	1564	13957
	(491)	(9957)
Inter Unit Transfer (Rs. Lacs)	252.81	1004.25
	(118.15)	(605.18)
Opening Stock (MT)	7595***	1482
	(5980)	(1446)
Opening Stock (Rs. Lacs)	1303.97***	102.32
	(1164.12)	(105.20)
Closing Stock (MT)	7644***	1220
	(7595)***	(1482)
Closing Stock (Rs. Lacs)	1259.31***	73.03
	(1303.97)***	(102.32)
Goods Traded @		
Purchases (Rs. Lacs)	1708.84****	-
	(1646.30)****	(-)
Sales (Rs. Lacs)	1757.60	-
	(1703.76)	(-)

@ Goods traded are of different specifications, sizes, weights and are in large numbers. Due to voluminous data, it is not possible to give quantitative details of goods traded.

(*) Includes **3273 MT** (previous year 3168 MT) towards calcinations of clay etc.

(**) Corresponding figures have been included under the relevant expenditure head and this treatment has no impact on profit/loss for the year.

(***) Excludes 150324 MT (previous year 147520 MT) of NPG Bauxite valued at Rs.403.90 Lacs (previous year Rs.398.46 lacs)..

(****) Excludes expenses on engineering services **Rs.407.46 lacs** (Previous year Rs.521.08 lacs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Rs. In lacs)

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
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NOTE - 1.1 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance of Rs. Nil - previous year Rs. Nil)	3.16	13.92
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NOTE - 1.2 CONTINGENT LIABILITIES AND COMMITMENTS:

(A) Contingent Liability exists in respect of		
i) Income Tax for which the Company has preferred appeals	-	-
ii) Income Tax for which the Income Tax Department has preferred appeals against the decisions in favour of the Company	0.52	0.52
iii) Other monies for which the Company is contingently liable including bank guarantees	706.77	694.21
iv) Letter of credit opened by bank	17.25	123.53
v) Export Commitment for machinery imports under EPCG Scheme	-	278.80
(B) Claims against the Company not acknowledge as debt and being contested before the appropriate authorities.		
i) Excise matters	82.73	1,477.17*
ii) Sales tax matters	73.34	35.97
iii) Other matters	106.65	106.66

* Includes Rs.1,364.90 lacs relating to show cause notice which was received for wrong avilment/utilization of cenvat credit by the Company on endorsed bill of entry by Dalmia Refractories (Prop. Dalmia Bharat Ltd.) for whom the Company has done job work in previous years. During the year, Company has received favourable order from Commissioner of Central Excise, Trichy.

NOTE - 1.3

The following expenses have been charged to other Accounts -

Salaries, Wages and Benefits to Employees	176.64	125.28
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NOTE - 1.4

During the previous year, the Company has changed the method of determining the cost of raw material from "Yearly Weighted Average Cost Method" to "Real Time Weighted Average Cost Method". The impact of this change, if any, could not be ascertained on account of installation of the new accounting software "RAMCO" during the previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	(Rs. In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015

NOTE - 1.5

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances, will, in the ordinary course of business, not be less than the amount at which they are stated in the Balance Sheet.

NOTE - 1.6

Previous year figures have been regrouped and/or rearranged wherever necessary to correspond with current period figures.

NOTE - 1.7

All amounts including those in contingent liabilities and notes have been expressed in Rupees Lacs rounded off to the nearest thousands. Figures less than Rupees five hundred which are required to be shown separately have been shown at actuals in double bracket. Figures in Metric Tonnes have been rounded off to the nearest Metric Tonne.

NOTE - 1.8

As per Accounting Standard (AS)-15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting standard is given below:

(a) Defined Contribution Plans:- The Company has recognised an expense of **Rs.99.89 lacs** (previous year Rs.91.48 lacs) towards the defined contribution plan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(b) Benefit plans - as per actuarial valuation on 31st March, 2016:-

Particulars	Gratuity Funded (Rs.lacs)		Leave Encashment Non-Funded (Rs.lacs)	
	Current Year	Previous Year	Current Year	Previous Year
	Rs.	Rs.	Rs.	Rs.
I Expenses recognised in the Profit and Loss Account for the year ended 31 st March, 2016				
1 Current Service Cost	22.65	21.26	11.20	10.84
2 Interest Cost	23.30	28.21	6.76	7.94
3 Expected return on plan assets	(27.39)	(27.23)	-	-
4 Net Actuarial (Gain)/Loss	18.95	(16.44)	22.15	0.47
5 Total Expense	37.51	5.80	40.11	19.25
II Net Asset/(Liability) recognised in the Balance Sheet as at 31 st March, 2016				
1 Present value of Obligation as at year-end	327.39	310.71	98.31	90.14
2 Fair Value of plan assets as at year-end	290.91	304.35	-	-
3 Funded status {(Surplus)/(Deficit)}	(36.48)*	(6.36)*	98.31	90.14
4 Net Asset/(Liability) as at 31 st March, 2016	-	-	(98.31)	(90.14)
III Change in obligation during the year ended 31 st March, 2016				
1 Present value of Obligation at the beginning of the year	310.71	313.40	90.14	88.28
2 Current Service cost	22.65	21.26	11.20	10.84
3 Interest Cost	23.30	28.21	6.76	7.94
4 Actuarial (Gain)/Loss	18.95	(16.44)	22.15	0.47
5 Benefits paid	(48.22)	(35.72)	(31.94)	(17.39)
6 Present Value of Obligation as at year-end	327.39	310.71	98.31	90.14
IV Change in Assets during the year ended 31 st March, 2016				
1 Plan assets at the beginning of the year	310.71	313.40	-	-
2 Expected return on plan assets	27.39	27.23	-	-
3 Employer's Contribution	37.51	5.80	-	-
4 Benefits paid	(48.22)	(35.72)	-	-
5 Actuarial gain/(loss) on plan assets	-	-	-	-
6 Plan assets at the end of the year	327.39	310.71	-	-
V The major categories of plan assets as percentage of total plan Qualifying Insurance Policy	100%	100%	-	-
VI Actuarial Assumptions :				
1 Discount Rate	8.00%	7.50%	8.00%	7.50%
2 Expected rate of return on plan assets	9.00%	8.75%	-	-
3 Mortality table		LIC(94-96) duly modified		LIC(94-96) duly modified
4 Salary Escalation	6.50%	6%	6.50%	6%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

VII. Experience History :

	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
1. Defined benefit obligations	327.39	310.71	313.40	302.06	337.01
2. Plan Assets	290.91	304.35	311.17	311.74	331.33
3. Surplus / (Deficit)	(36.48)	(6.36)	(2.23)	9.68	(5.68)
4. Experience (Loss) / Gain on plan liabilities.	18.95	(16.44)	(6.45)	(32.78)	(20.00)
5. Experience (Loss) / Gain on plan assets	-	-	-	-	-
6. Actuarial (Loss) / Gain due to change in assumption	18.95	(16.44)	(6.45)	(32.78)	(20.00)

VIII. Experience History:

	Leave Encashment				
	2015-16	2014-15	2013-14	2012-13	2011-12
1. Defined benefit obligations	98.31	90.14	88.28	77.47	86.44
2. Plan Assets	-	-	-	-	-
3. Surplus / (Deficit)	98.31	90.14	88.28	77.47	86.44
4. Experience (Loss) / Gain on plan liabilities	22.15	0.47	13.94	(14.67)	4.91
5. Experience (Loss) / Gain on plan assets	-	-	-	-	-
6. Actuarial (Loss) / Gain due to Change in assumption	22.15	0.47	13.94	(14.67)	4.91

* Payment made for plan assets at the year end

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE - 1.9

Segment reporting as required by Accounting Standard-17, is as below :-

(Rs. In lacs)

Particulars	Refractory Rs.	Calcination Rs.	Total Rs.
REVENUE			
1 External Sales	19,546.10 (18,416.11)	74.39 (303.48)	19,620.49 (18,719.59)
2 Inter-Segment/Unit Sales	252.81 (118.15)	1,004.25 (605.18)	1,257.06 (723.33)
3 Other Revenue	1,144.87 (436.34)	0.22 (0.23)	1,145.09 (436.57)
4 Unallocated Corporate Revenue	- (-)	- (-)	13.03 (61.23)
Total Segment Revenue	20,943.78 (18,970.60)	1,078.86 (908.89)	22,035.67 (19,940.72)
RESULT (Profit before interest and corporate expenses)			
Segment Profit/(Loss)	1,072.48 (493.74)	-2.13 (-118.18)	1,070.35 (375.56)
Unallocated corporate Expenses net of	-	-	630.38
Unallocated corporate revenue	(-)	(-)	(555.85)
Operating Profit	-	-	439.97
Financial Expenses	18.07 (11.45)	- (-)	270.08 (360.89)
<u>Income Taxes</u>			
Current Tax	- (-)	- (-)	-0.01 (-8.01)
Deferred Tax	- (-)	- (-)	49.29 (-168.52)
Net Profit	- (-)	- (-)	120.61 (-364.65)
OTHER INFORMATION			
Assets	11,205.76 (12,637.76)	148.62 (242.76)	11,354.38 (12,880.52)
Unallocated Corporate Assets	- (-)	- (-)	1,088.47 (765.01)
Total Assets	- (-)	- (-)	12,442.85 (13,645.53)
Liabilities	4,375.28 (4,628.16)	60.35 (42.38)	4,435.63 (4,670.54)
Unallocated Corporate Liabilities	- (-)	- (-)	2,566.03 (3,635.44)
Total Liabilities	- (-)	- (-)	7,001.66 (8,305.98)
Depreciation	355.51 (282.86)	5.72 (5.89)	361.23 (288.75)
Unallocated Corporate Depreciation	- (-)	- (-)	13.26 (34.96)
Total Depreciation	- (-)	- (-)	374.49 (323.71)
Capital Expenditure	181.84 (1,611.01)	- (-)	181.84 (1,611.01)
Unallocated Corporate Capital Expenditure	- (-)	- (-)	5.70 (23.91)
Total Capital Expenditure	- (-)	- (-)	187.54 (1,634.92)

At the Company has now concluded in terms of Accounting Standard (AS)-17, Segment Reporting based on captive consumption & materiality in terms of revenue, results and capital employed, that 'Calcination' is not a separate business segment, disclosures as per AS-17 of 'Calcination' segment are discontinued with current financial year except as required for comparative purposes.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE - 1.10

Related Party Disclosures, as required by Accounting Standard - 18 is as below:

A. Relationships:

(i) Key Managerial Personnel :-

Shri C.N. Maheshwari	Chief Executive Officer
Shri S.K. Srivastava	Chief Financial Officer
Ms. Akansha Jain	Company Secretary

(ii) Promoters of the Company/Relatives of the Promoters:-

Shri J. H. Dalmia, Shri Y. H. Dalmia, J. H. Dalmia (HUF), Y. H. Dalmia (HUF), Shri Gautam Dalmia, Shri Puneet Yadu Dalmia, Gautam Dalmia (HUF), Smt. Kavita Dalmia, Smt. Bela Dalmia, Smt. Anupama Dalmia, Smt. Avantika Dalmia, Kumari Shrutipriya Dalmia, Kumari Sukeshi Dalmia, Kumari Vaidehi Dalmia, Kumari Sumana Dalmia, Kumari Avanee Dalmia, Mst. Priyang Dalmia.

(iii) Enterprises controlled by the Promoters of the Company:-

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, OCL India Limited, ZipAhead.Com Private Limited, Alirox Abrasives Limited, Dalmia Bharat Limited (formerly Dalmia Bharat Enterprises Limited), Kanika Investment Limited, Ishita Properties Limited, Dalmia Cement (Bharat) Limited D.I. Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Shri Rangam Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Power Limited, DCB Power Ventures Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Madhusudhana Mines and Properties Limited, Sri Trivikrama Mines & Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resorts Private Limited, Dalmia Bharat Sugar and Industries Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Sugar Ventures Limited, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Adhunik Cement Ltd., Adhunik MSP Cement (Assam Ltd.), Calcom Cement (India) Ltd., Vinay Cement Ltd, RCL Cements Ltd, SCL Cements Ltd., Khappal Coal Co. Pvt. Ltd., Shri Chamundeswari Minerals Ltd., Shri Yadu Hari Trusteeship Services Pvt. Ltd., YHD Trusheeship Services Pvt. Ltd., Vastalaya Developers Pvt. Ltd., Vinimay Developers Pvt. Ltd., Dalmia Bharat Cements Holdings Ltd., Sri Rangam Securities and Holdings Ltd., Shri Investments, Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Home Realtors LLP., Dalmia Cement East Limited, Glow Homes Technologies Private Limited, Jayevijay Agro Farms Private Limited, OCL Global Limited, OCL China Limited, Odisha Cement Limited, Bangaru Kamak Shiamman Agro Farms Pvt. Ltd., Coin Tribe Technologies Pvt. Ltd., Tijori Capital Pvt. Ltd., Samagama Holdings and Commercial Pvt. Ltd., Antordaya Commercial and Holdings Pvt. Ltd., Akhyar Estate Holdings Pvt. Ltd., And Adwetha Cement Holdings Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

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

(Rs. In lacs)

Nature of Transaction	Key Management Personnel		Promoter controlled enterprises		Total	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Sale of Goods and Services						
Dalmia Cement (Bharat) Ltd.	-	-	655.68	1367.07	655.68	1367.07
Adhunik Cement Ltd.	-	-	234.71	158.56	234.71	158.56
Dalmia Bharat Sugar & Industries Ltd.	-	-	5.45	3.61	5.45	3.61
OCL India Ltd.	-	-	573.03	320.34	573.03	320.34
Vinay Cement Ltd.	-	-	-	69.65	-	69.65
Calcom Cement (India) Ltd.	-	-	140.76	760.74	140.76	760.74
Purchase of goods and services						
Dalmia Cement (Bharat) Ltd.	-	-	18.99	28.75	18.99	28.75
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	1551.00	-	1551.00
OCL India Ltd.	-	-	16.73	10.67	16.73	10.67
Alirox Abrasives Ltd.	-	-	13.71	13.48	13.71	13.48
Govan Travels (Prop.: Dalmia Bharat Sugar & Industries Ltd.)	-	-	37.89	38.39	37.89	38.39
Reimbursement of expenses Paid						
Dalmia Cement (Bharat) Ltd.	-	-	1.89	1.83	1.89	1.83
Dalmia Bharat Ltd.*	-	-	169.14	96.07	169.14	96.07
Salary & Perquisites						
Shri C.N. Maheshwari (Chief Executive Officer)*	72.68	71.29	-	-	72.68	71.29
Shri S.K. Srivastava (Chief Financial Officer)	28.80	26.15	-	-	28.80	26.15
Ms. Akansha Jain (Company Secretary)@	3.22	1.48	-	-	3.22	1.48
Outstanding Balance as at the year						
Amount (receivable)						
Dalmia Bharat Sugar & Industries Ltd.	-	-	0.87	-	0.87	-
OCL India Ltd.	-	-	80.64	73.28	80.64	73.28
Adhunik Cement Ltd.	-	-	-	21.85	-	21.85
Dalmia Cement (Bharat) Ltd.	-	-	27.92	140.13	27.92	140.13
Calcom Cement (India) Ltd.	-	-	47.92	116.29	47.92	116.29
Vinay Cement Ltd.	-	-	-	9.13	-	9.13
Shri S.K. Srivastava (Chief Financial Officer)**	-	2.62	-	-	-	2.62
Amount (Payable)						
Dalmia Bharat Ltd.	-	-	18.12	15.87	18.12	15.87
Dalmia Refractories (Prop.: Dalmia Bharat Ltd.)	-	-	-	6.59	-	6.59
Dalmia Cement (Bharat) Ltd.	-	-	-	3.83	-	3.83
Govan Travels (Prop.: Dalmia Bharat Sugar & Industries Ltd.)	-	-	3.00	2.70	3.00	2.70
OCL India Ltd.	-	-	5.86	-	5.86	-

- @ During the previous year the figure is w.e.f. 26.08.2014

- * Includes amount reimbursed to Dalmia Bharat Ltd., for the services of CEO.

- ** Loan given as per the Company's policy

- For investments in above enterprises refer Note-13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016**NOTE - 1.11**

Particulars of Derivative instruments and unhedged foreign currency exposure as at Balance Sheet date:

Derivative Instruments

Particulars of Unhedged foreign currency exposure:

Particulars	Amount in Foreign Currency	Amount (Rs. In lacs)
Purchase of Raw Material		
Creditors	USD 1044539 (USD 1255520)	692.87 (785.83)
	Euro 67310	50.55
Buyer's Credit	USD 432150 (USD 1102000)	286.66 (689.75)
Balance in EEFC Account	USD 413659.88 (USD 129208)	274.39 (80.87)
	Closing Rate 1USD= Rs.66.3329 (62.59)	
Hedged Foreign Currency		
Creditors	USD 350000 (USD 220000)	235.89 (142.78)
Buyers Credit (USD)	USD 138750	93.46
		(Rs. In lacs)

Particulars	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
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NOTE - 1.12 - Earning per share as required by Accounting Standard (AS-20):

Profit After Taxation	120.61	(364.65)
Add/(Less) Income tax adjustments for earlier years	(0.01)	(8.01)
Profit for computation of Earning Per Share	120.60	(372.66)
Weighted Average No. of equity shares issued & subscribed	31,52,084	31,52,084
Basic Earning Per Share	3.83	(11.82)
Diluted Earning Per Share	3.83	(11.82)

NOTE - 1.13 - Deferred Tax as required by Accounting Standard (AS-22):

Particulars	As on 1 st April, 2014 Rs.	Charge (Credit) Rs.	As on 1 st April, 2015 Rs.	(Rs. In lacs)	
				Charge (Credit) during the year Rs.	As on 31 st March, 2016 Rs.
(A) Deferred Tax Liability					
Difference between Book & Tax depreciation	290.00	16.00	306.00	9.13	315.13
(B) Deferred Tax Assets					
Disallowance u/s 43B of the Income Tax Act, 1961	27.83	3.37	31.20	2.82	34.02
Unadjusted depreciation & Business Loss	-	(187.29)	187.29	(100.16)	87.13
Provision for Bad & Doubtful debts	<u>22.17</u>	-	<u>22.17</u>	57.18	79.35
Net Liability	<u>240.00</u>	<u>(174.66)*</u>	<u>65.34</u>	(49.29)	114.63

* Includes Rs.6.14 lacs which has been credited in Reserve & Surplus

(C) The Company has till date recognized Rs.66 lacs (previous year NIL) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management is confident that there would be sufficient taxable profit in future which will enable the Company to utilize the above MAT credit entitlement.

For S.S. KOTHARI MEHTA & CO.Chartered Accountants
Firm Registration No.000756N**KAMAL KISHORE**Partner
Membership No.078017

New Delhi, May 23, 2016

C.N. Maheshwari
Chief Executive OfficerS.K. Srivastava
Chief Financial OfficerAkansha Jain
Company Secretary**For and on behalf of the Board**N. Gopalswamy
Director
DIN:00017659C. Nagaratnam
Director
DIN:00266838

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	(Rs. In lacs)	
	31 st March, 2016	31 st March, 2015
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	169.89	(541.18)
Adjustments for :		
Depreciation	374.49	323.71
Write-off of Fixed Assets	2.16	-
Provision for doubtful debts and bad debts W/off	308.06	-
Amount written back	(101.03)	(53.93)
Loss on Sale of Fixed Assets	8.53	-
Profit for Sale of Fixed Assets	(5.31)	(0.45)
Interest paid	270.08	360.89
Interest received	(7.52)	(11.78)
Dividend received	(12.25)	(7.01)
Operating Profit before Working Capital changes	1,007.10	70.25
Adjustments for :		
Trade and Other Receivables	276.84	(1,000.98)
Inventories	845.08	(996.11)
Trade Payables	183.75	1,121.45
Cash Flow from Operating Activities	2,312.77	(805.39)
Direct Taxes paid/Refunds received (Net)	(68.00)	(58.92)
Net Cash Flow from Operating Activities	2,244.77	(864.31)
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(187.54)	(1,634.92)
Sale of Fixed Assets	14.50	0.45
Purchase of Investments	(0.01)	(0.02)
Interest Received	7.43	11.28
Dividend	12.25	7.01
Net Cash from Investment Activities	(153.37)	(1,616.20)
C. Cash Flow from Financing Activities		
Issue of Share Capital	-	-
Government Subsidy credit to Capital Reserves	-	-
Secured Loans		
Long Term	(168.00)	264.95
Short Term	(1,325.12)	2,645.27
Dividend paid	(14.95)	(32.64)
Corporate Dividend Tax	(3.21)	(5.36)
Interest paid	(278.04)	(358.59)
Net Cash from Financing Activities	(1,789.32)	2,513.63
D. Net increase in Cash and Cash equivalents		
Cash and Cash Equivalents	302.08	33.12
Opening Balance as at 1.4.2015	211.14*	178.02*
Closing Balance as at 31.3.2016	513.22*	211.14*

* Includes Fixed Deposit of Rs.3.51 lacs (previous year Rs.3.47 lacs) having maturity date exceeding 12 months.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Registration No.000756N

KAMAL KISHORE
Partner

Membership No.078017

New Delhi, May 23, 2016

C.N. Maheshwari
Chief Executive Officer

S.K. Srivastava
Chief Financial Officer

Akansha Jain
Company Secretary

For and on behalf of the Board

N. Gopalaswamy
Director
DIN:00017659

C. Nagaratnam
Director
DIN:00266838

Dalmia Refractories Limited

(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

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