

Independent Auditors' Report

To the Members of Dalmia Seven Refractories Limited

Report on the audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Dalmia Seven Refractories Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant Rules issued thereunder.

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

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

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

Auditor's Responsibilities for the audit of the Ind AS Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which other best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flows statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.



- e) On the basis of the written representations received from the directors as on March 31, 2022 & taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion, and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

- v. No dividend has been declared or paid during the year by the Company.

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

Amit Goel

AMIT GOEL
Partner
Membership No. 500607



Place: New Delhi
Date: May 03, 2022
UDIN: 22500607AIMMCW9776

Annexure A to the Independent Auditor's Report to the members of Dalmia Seven Refractories Limited dated May 03, 2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- i.
 - (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
 - (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us and on the basis of the documents verified by us, the Company has two immovable properties i.e. the Company has taken land on lease from Holding Company vide lease agreement dated October 17,2017 and constructed building on abovementioned leasehold land.
 - (d) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2022.
 - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No material Discrepancies were noticed on such physical verification.
 - (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company except as disclosed in note no. 48b of the financial statements.
- iii.
 - (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.



- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues in respect of Income-tax, Sales-tax, Service-tax, Customs Duty, Excise Duty and Value added tax which have not been deposited on account of any dispute.
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or Government or any government authority.
- (c) According to the information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan during the year. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and records of the Company examined by us, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.



- x. (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans. Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) In our opinion, and according to the information and explanations given to us, we report that during the year, a report under sub-section (12) of section 143 of the Companies Act, 2013, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors Rules), 2014 was not required to be filed with the Central Government. Hence, the requirement to report on clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) In our opinion, and according to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards. The provisions of section 177 are not applicable to the Company and hence not commented upon.
- xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred under section 192 of the Act.
- xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.



- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) In our opinion, and according to the information and explanations given to us, we report that there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 of the Act are not applicable to the Company and accordingly the requirement to report on Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare the consolidated financial statements and accordingly the requirement to report on Clause 3(xxi) of the Order is not applicable to the Company.

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



Amit Goel

AMIT GOEL
Partner

Membership No. 500607

Place: New Delhi
Date: May 03, 2022
UDIN: 22500607AIMMCW9776

Annexure B to the Independent Auditor's Report to the Members of Dalmia Seven Refractories Limited on its financial statements dated May 03, 2022

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

We have audited the internal financial controls over financial reporting of **Dalmia Seven Refractories Limited** as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 ICAI.

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



Amit Goel
Amit Goel
Partner
Membership No. 500607

Place: New Delhi
Date: May 03, 2022
UDIN: 22500607AIMMCW9776

Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Audited Balance Sheet As at March 31, 2022

(₹ in lakh)

Particulars	Notes	As at March 31, 2022 Audited	As at March 31, 2021 Audited
Assets			
Non - current assets			
Property, plant and equipment	3	2,267.07	2,234.76
Capital work - in - progress	4	2.00	93.81
Other intangible assets	5	0.82	1.15
Intangible Asset under Development	5A	1.75	-
Right-of-use-assets	6	345.88	404.73
Financial assets			
(i) Other Financial Assets	7	107.29	8.78
Other non-current assets	8	0.11	1.30
Deferred tax assets (net)	9	158.98	247.51
Total non current assets		2,883.90	2,992.04
Current assets			
Inventories	10	1,197.11	743.44
Financial assets			
(i) Trade receivables		3,152.26	1,136.03
(ii) Cash and cash equivalents		32.84	1,015.79
Income tax assets	12	9.93	7.71
Other Financial Assets	13	11.67	-
Other current assets	14	194.11	307.58
Total current assets		4,597.92	3,210.55
Total assets		7,481.82	6,202.59
Equity and liabilities			
Equity			
Equity share capital	15	2,000.00	2,000.00
Other equity	16	(519.48)	(804.99)
Total equity		1,480.52	1,195.01
Liabilities			
Non - current liabilities			
Financial liabilities			
(i) Borrowings		1,307.23	1,611.98
(ii) Lease liabilities		326.68	380.08
Provisions	18	22.61	17.93
Total non current liabilities		1,656.52	2,009.99



Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Audited Balance Sheet As at March 31, 2022

(₹ in lakh)

Particulars	Notes	As at March 31, 2022 Audited	As at March 31, 2021 Audited
Current liabilities			
Financial liabilities	19		
(i) Borrowings		997.14	900.63
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		704.35	285.47
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,101.61	1,058.39
(iii) Other financial liabilities		352.99	579.61
(iv) Lease liabilities		56.95	51.05
Other current liabilities	20	130.45	121.67
Provisions	21	1.29	0.77
Total current liabilities		4,344.78	2,997.59
Total Equity & Liabilities		7,481.82	6,202.59

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

Amit Goel
AMIT GOEL

Partner
Membership No. 500607



Place: New Delhi
Date: 03-MAY-2022

For and on behalf of
Dalmia Seven Refractories Limited

Sameer Nagpal
Sameer Nagpal

Director
DIN : 06599230

Ayush Jain
Ayush Jain

Company Secretary

C.N. Maheshwari
C.N. Maheshwari

Director
DIN : 00125680

Binayak Kumar Shah
Binayak Kumar Shah

Chief Financial Officer

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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Statement of Profit & Loss for the year ended March 31, 2022

Particulars	Notes	(₹ in lakh)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	22	10,015.21	5,005.13
Other income	23	7.66	3.65
Total income		10,022.87	5,008.77
Expenses			
Cost of materials consumed	24	7,262.07	3,507.43
Changes in inventories of finished goods and work - in - progress	25	82.36	2.77
Employee benefits expense	26	473.97	378.62
Finance costs	27	204.83	223.05
Depreciation and amortization expense	28	229.50	221.50
Other expenses	29	1,396.21	735.47
Total expenses		9,648.94	5,068.84
Profit / (Loss) for the year before tax		373.94	(60.07)
Tax expense			
- Current tax		-	-
- Deferred tax	30	88.51	(17.36)
Net Profit / (Loss) for the year after tax		285.43	(42.71)
Other Comprehensive income			
- Re-measurement gains/ (losses) on defined benefit plans		0.11	1.64
- Deferred tax relating to items that will not be reclassified to profit or loss		(0.03)	(0.41)
Total Comprehensive income and other comprehensive income for the year ended		285.51	(41.48)
Earnings per equity share-basic/diluted (Rs.)	31	1.43	(0.21)
Significant accounting policies	1&2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

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


AMIT GOEL
Partner
Membership No. 500607




For and on behalf of
Dalmia Seven Refractories Limited


Sameer Nagpal
Director
DIN : 06599230


C.N. Maheshwari
Director
DIN : 00125680

Place: New Delhi
Date: 03-MAY-2022


Ayush Jain
Company Secretary


Binayak Kumar Shah
Chief Financial Officer

Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Audited Cash Flow Statement for the year ended March 31, 2022

Particulars	(₹ in lakh)	
	For the year ended March 31, 2022 Audited	For the year ended March 31, 2021 Audited
A. Cash flow from operating activities		
Net Profit/ (Loss) before tax	373.94	(60.07)
Adjustments for :		
Add : depreciation	165.78	221.50
Add : finance cost	204.83	223.05
Add: bad debts written off	0.11	
Add: provision for doubtful debt	3.06	
Less : interest income	(2.29)	(2.50)
Operating Profit before working capital changes	745.41	381.98
Adjustments for working capital change:		
Trade and other receivables(net)	(2,019.40)	(695.92)
Other current financial and non financial assets	99.45	(79.99)
Inventories	(453.67)	(281.85)
Trade payable and other financial liabilities	1,246.83	(82.93)
Provisions and other current liabilities	14.09	661.15
Net Cash used in operations	(367.29)	(97.56)
Net direct taxes paid	(2.22)	(7.71)
Net cash used in operating activities	(369.51)	(105.27)
B. Cash flow from investing activities		
Interest income	2.04	-
Purchase of property, plant & equipment and CWIP	(174.38)	(137.31)
Investment Promotion Assistance from MPIDC	66.67	-
Investment in Fixed Deposits	(94.71)	-
Net cash used in investing activities	(200.38)	(137.31)
C. Cash flow from financing activities		
Proceeds from / (Repayment of) short term borrowings	96.51	433.56
Proceeds from term loan borrowings	(304.75)	40.44
Finance cost	(204.83)	(223.05)
Issue of share capital	-	1,000.00
Net cash generated from / (used in) financing activities	(413.07)	1,250.95
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(982.96)	1,008.37
Cash and cash equivalents at the beginning of the year	1,015.80	7.43
Cash and cash equivalents at the end of the year	32.84	1,015.80

Note:-

1) Cash & cash equivalents are as per Note 11 (ii) of the Financial Statements
As per our report of even date

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

Amit Goel
AMIT GOEL

Partner
Membership No. 500607



Place: New Delhi
Date: 03-MAY-2022

For and on behalf of
Dalmia Seven Refractories Limited

Sameer Nagpal
Sameer Nagpal
Director
DIN : 06599230

C.N. Maheshwari
C.N. Maheshwari
Director
DIN : 00125680

Ayush Jain
Ayush Jain
Company Secretary

Binayak Kumar Shah
Binayak Kumar Shah
Chief Financial Officer

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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Statement of changes in equity for the year ended March 31, 2022

(₹ in lakh)

A Equity share capital*

Particulars	Balance as at April 01, 2020	Issued during the year	Balance as at March 31, 2021	Balance as at April 01, 2021	Issued during the year	Balance As at March 31, 2022
	Amount		Amount	Amount		Amount
Equity share capital	1,000.00	1,000.00	2,000.00	2,000.00	-	2,000.00

B Other equity*

Particulars	Reserves and surplus	Other comprehensive income - Reserve	Total
	Retained earnings		
Balance as at April 01, 2020	(764.46)	0.96	(763.50)
Profit / (Loss) for the year	(42.71)	1.23	(41.49)
Balance as at March 31, 2021	(807.17)	2.18	(804.99)
Balance as at April 01, 2021	(807.17)	2.18	(804.99)
Profit / (Loss) for the period	285.43	0.08	285.51
Balance As at March 31, 2022	(521.74)	2.27	(519.48)

*Refer note no. 14 & 15

As per our report of even date.

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

Amit Goel
AMIT GOEL

Partner
Membership No. 500607



Place: New Delhi
Date: 03-MAY-2022

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Binayak Kumar Shah

Chief Financial Officer

KM

Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

1. Corporate Information

The Company was incorporated on December 16, 2016. The Company is in the business of refractory manufacturing, sales and allied services. The Company has its registered and corporate office at 4, Scindia House, Connaught Place, New Delhi-110001 and plant at Katni (Madhya Pradesh)

These financial statements of the Company for the year ended March 31, 2022 were approved and adopted by board of directors of the Company in their meeting held on May 03, 2022.

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

2.1 Basis of Preparation

(a) Compliance with Ind AS

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

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain assets and liabilities which have been measured at fair value/amortised cost:

(c) Functional and presentation currency

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

2.2 Critical accounting estimates and judgements

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

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

A. Property plant and equipment

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

B. Intangible assets

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

The useful life of computer software is estimated as 3 years and accordingly amortised over its useful life.



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C. Fair value measurement of financial instruments

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

D. Provision

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

2.3 Significant Accounting policies

a. Property, plant and equipment

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

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

b. Depreciation methods, estimated useful lives and residual value:

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

The following methods of depreciation are used for PPE :

Assets	Useful life
Leasehold land	Amortised over the period of lease
Plant & machinery	3 to 15 years
Computer	3 to 6 years
Buildings	30 years
Furniture & fixture	10 years
office equipment	5 years

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



c. Transition to Ind AS:

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

d. Impairment of Non-financial assets

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

e. Trade Receivables

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

f. Leases

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

Leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

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

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g. Segment Reporting

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

h. Employee Benefits

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







i. Short-term employee benefits

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

ii. Defined contribution plan

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

iii. Gratuity

Gratuity is computed as 15 days salary, for every completed year of service or part thereof and is payable on retirement/termination/resignation.

i. Inventories

(i.1) 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. 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.

(i.2) Historical cost is determined on the basis of real time weighted average method.

(i.3) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Revenue recognition and other income:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

k. Sale of services

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

l. Other operating income

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

m. Interest Income:

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



n. Foreign Currency Transactions

n.1 Initial recognition

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

n.2 Conversion

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

n.3 Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

o. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

o.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

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

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



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p. Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is disclosed in the notes in case of:

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

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

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

Contingent assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

q. Cash & Cash Equivalents

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

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

Cash flow statement

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



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2.4 Financial Instruments

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

a. Investment and other Financial Assets

Classification

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

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and
- those measured at amortised cost.

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

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

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

Measurement

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

Equity investments

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

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

Impairment of financial assets:

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

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

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.



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

Contributed equity:

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

b. Financial Liabilities & Equity

Classification as debt or equity

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

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

Offsetting of financial instrument

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

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.







Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

3 Property, plant and equipment

Particulars	Land (Lease hold)	Plant & machinery	Computer	Buildings	Furniture & Fixtures	Office Equipment	Total
Cost							
As at March 31, 2020	314.79	1,822.80	24.44	317.12	21.73	3.31	2,504.19
Additions during the year	-	51.07	2.04	-	0.14	-	53.25
Disposals / Adjustment during the year	-	-	-	-	-	-	-
As at March 31, 2021	314.79	1,873.87	26.48	317.12	21.87	3.31	2,557.44
Additions during the period	-	259.61	4.46	-	-	0.38	264.45
IP Assistance from MPIDC*	-	66.67	-	-	-	-	66.67
Disposals / Adjustment during the year	-	-	-	-	-	-	-
As at March 31, 2022	314.79	2,066.81	30.94	317.12	21.87	3.69	2,755.22
Depreciation							
As at March 31, 2020	32.32	115.15	5.08	12.12	1.55	0.40	166.63
Charge for the year	14.96	123.03	4.91	10.46	2.06	0.63	156.05
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	47.28	238.18	9.99	22.58	3.61	1.03	322.68
Charge for the period	14.97	132.20	5.11	10.46	2.08	0.64	165.46
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	62.24	370.38	15.11	33.05	5.69	1.67	488.14
Net Block							
As at March 31, 2021	267.51	1,635.69	16.49	294.54	18.25	2.28	2,234.76
As at March 31, 2022	252.54	1,696.42	15.84	284.08	16.18	2.01	2,267.07

* The Company has made capacity expansion of Plant situated at Lamtara, Katni (MP) and have invested in plant and machinery, Buildings, Furniture & Fixture, Office Equipment, Computer etc. in year 2018-19 and 2019-20.

The Company is eligible for Investment Promotion Assistance (IPA) under "Madhya Pradesh Nivesh Protsahan Yojna -2014 (MP Investment Promotion Assistance Scheme -2014)" for which registration has completed with MP Industrial Development Corporation (Government of Madhya Pradesh Undertaking), namely MPIDC. MPIDC has admitted permission for IPA vide his letter No. 183/MPIDC/FISCLE INCENTIVE/2020/6987 Dated 03-November 2020 on Investment in Plant and Machinery of Rs. 1980 Lakh are admissible Investment upon which Rs. 792 Lakh are Basic eligible IPA is claimable in next 7 years for period 09 May 2019 to 08 May 2026, subject to fulfillment of predefined terms and conditions as per MPIDC Scheme.

First tranche of IPA has been released for year 2019-20 vide letter No. 1262/MPIDC/F.I./IPA/17 Dated 07 January 2022 of Rs 66.67 Lakh. IPA received is adjusted from the Gross block of the Plant and Machinery in the current year and depreciation is calculated post adjustment for IPA.

4 Capital Work in Progress

(₹ in lakh)

Cost	
As at March 31, 2020	-
Addition during the year	93.81
- Plant & Equipment	93.81
Capitalized during the year	-
As at March 31, 2021	93.81
Addition during the year	169.19
- Plant & Equipment	169.19
Capitalized during the year	261.01
As at March 31, 2022	2.00



Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

5 Intangible Assets (Computer Software)

Particulars	Rs. in lakh
Cost	
As at March 31, 2020	1.98
Additions during the year	-
Disposals / Adjustment during the year	-
As at March 31, 2021	1.98
Additions during the year	-
Disposals / Adjustment during the year	-
As at March 31, 2022	1.98
Depreciation	
As at March 31, 2020	0.51
Charge for the year	0.33
Disposals	-
As at March 31, 2021	0.83
Charge for the year	0.33
Disposals	-
As at March 31, 2022	1.16
Net Block	
As at March 31, 2021	1.15
As at March 31, 2022	0.82

6 Right-of-use-asset

Particulars	Rs. in lakh
Cost	
As at March 31, 2020	494.23
Additions during the year	30.50
Disposals / Adjustment during the year	25.25
As at March 31, 2021	499.48
Additions during the year	8.46
Disposals / Adjustment during the year	11.56
As at March 31, 2022	496.37
Depreciation	
As at March 31, 2020	54.89
Charge for the year	65.12
Disposals/Adjustment	25.26
As at March 31, 2021	94.75
Charge for the year	63.32
Disposals/Adjustment	7.58
As at March 31, 2022	150.49
Net Block	
As at March 31, 2021	404.73
As at March 31, 2022	345.88

5A Intangible Asset under Development

(₹ in lakh)

Cost	
As at March 31, 2021	-
Addition during the year	1.75
Capitalized during the year	-
As at March 31, 2022	1.75

Capital Work in Progress aging as per schedule III				
Particular	0-1 Year	1-2 Years	2-3 Years	>3 Years
Plant & Equipment	2.00	-	-	-
Intangible Asset under Development	1.75	-	-	-
Total	3.75	-	-	-



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes	Particulars	As at March 31, 2022	As at March 31, 2021
	Non - current assets:		
7	Other Financial Assets		
	Security deposit		
	- Unsecured & considered good	12.58	8.78
	Fixed deposits	94.71	-
		<u>107.29</u>	<u>8.78</u>
8	Other non-current assets		
	Prepaid expenses	0.11	1.30
		<u>0.11</u>	<u>1.30</u>
9	Deferred tax: assets		
	Deferred tax assets on account of:		
	Unabsorbed depreciation & business losses	274.69	333.46
	Deferred tax liabilities on account of:		
	Impact of difference between written down value (WDV) as per books and WDV as per Income Tax Act, 1961.	115.71	85.96
	Net deferred tax assets/(Liability)	<u>158.98</u>	<u>247.51</u>
	Current assets:		
10	Inventories		
	Raw materials	821.93	476.99
	Work - in - progress	35.17	25.62
	Finished goods	71.00	162.90
	Stores and spares	130.38	77.28
	Loose tools	0.55	0.65
	Raw materials in Transit	121.04	-
	Stores in Transit	17.04	-
		<u>1,197.11</u>	<u>743.44</u>
11	Current financial assets		
	(i)Trade receivable		
	- Undisputed Trade Receivable - Considered good	3,155.32	1,136.03
	- Undisputed Trade Receivable - which have significant increase in credit risk	(3.06)	-
	- Undisputed Trade Receivable - credit impaired	-	-
	- Disputed Trade Receivable - Considered good	-	-
	- Disputed Trade Receivable - which have significant increase in credit risk	-	-
	- Disputed Trade Receivable - credit impaired	-	-
		<u>3,152.26</u>	<u>1,136.03</u>

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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes Particulars As at March 31, 2022 As at March 31, 2021

11 Current financial assets (Continued)

Trade Receivables Ageing Schedule March 2022							
Particulars *	Outstanding for following periods from due date of payment						Total **
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,441.90	1,263.68	292.38	157.38	-	-	3,155.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	(2.67)	(0.40)	-	-	-	(3.07)
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	1,441.90	1,261.01	291.98	157.38	-	-	3,152.26

Trade Receivables Ageing Schedule March 2021							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	378.58	741.57	15.88	-	-	-	1,136.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	378.58	741.57	15.88	-	-	-	1,136.03

(ii) Cash & cash equivalent

Balances with banks		
-in Current accounts	0.10	1,003.46
-Current maturity of fixed deposits	32.74	-
-Cheques on hand	-	12.33
	32.84	1,015.79

12 Income tax assets

TDS receivable	9.93	7.71
	9.93	7.71

13 Other Financial Assets

Earnest Money Deposit	11.67	-
	11.67	-

14 Other current assets:

Prepaid expenses	4.39	3.69
Balance with statutory authorities	39.81	69.14
Interest receivable	0.26	-
Other advances	72.44	53.90
Unbilled Receivable	77.21	180.85
	194.11	307.58



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes	Particulars	As at March 31, 2022	As at March 31, 2021
15	Equity share capital		
	Authorised		
	2,00,00,000 (March 31, 2021 - 2,00,00,000) Equity shares of Rs. 10 each)	2,000.00	2,000.00
		<u>2,000.00</u>	<u>2,000.00</u>
	Issued, subscribed and paid up		
	2,00,00,000 (March 31, 2021 - 2,00,00,000) Equity shares of Rs. 10 each fully paid up)	2,000.00	2,000.00
		<u>2,000.00</u>	<u>2,000.00</u>

Notes:

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

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	2,00,00,000	2,000.00	1,00,00,000	1,000.00
Addition during the Year	-	-	1,00,00,000	1,000.00
At the end of the year	<u>2,00,00,000</u>	<u>2,000.00</u>	<u>2,00,00,000</u>	<u>2,000.00</u>

b. Terms/ rights attached to equity shares

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

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

c. Equity shares held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Rs.	No. of Shares	Rs.
Dalmia Bharat Refractories Limited (along with its Nominees)	1,02,00,000	51%	1,02,00,000	51%

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

e. Details of shareholders holding more than 5% shares in the company

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Dalmia Bharat Refractories Limited (along with its Nominees)	1,02,00,000	51%	1,02,00,000	51%
Seven Refractories GesmbH	98,00,000	49%	98,00,000	49%

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



Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes	Particulars	As at March 31, 2022	As at March 31, 2021
16	Other equity		
	(i) Retained Earnings		
	Balance at the beginning of the year	(807.17)	(764.46)
	Add: Transfer from the statement of Profit & Loss	285.43	(42.71)
	Balance at the end of Year	<u>(521.74)</u>	<u>(807.17)</u>
	(ii) Comprehensive Income		
	Balance at the beginning of the year	2.18	0.96
	Addition during the year - Actuarial Gain & Losses on Defined Benefit Obligation	0.08	1.23
	Balance at the end of Year	<u>2.26</u>	<u>2.18</u>
		<u>(519.48)</u>	<u>(804.99)</u>
	Non - current liabilities		
17	Financial liabilities		
	(i) Borrowings		
	Secured at amortised Cost		
	Loan from banks		
	- Term Loan	1,620.97	1,796.97
	- Less : Current maturity of long term borrowings	(308.00)	(176.00)
	- IndAs Term loan FMV	(5.74)	(8.99)
		<u>1,307.23</u>	<u>1,611.98</u>
	Term Loan		
	Loans of Rs 1620.97 Lakh (1796.97 Lakh in PY 2020-21) is secured by equitable mortgage of factory Land & Building and Plant & Machinery. It is further secured by first charge over movable and immovable fixed assets of the company. It is repayable in quarterly instalment or ranging from Rs. 66 Lakh to Rs 132 Lakh. Due to COVID-19, a pandemic caused by novel coronavirus, RBI notified a moratorium for 6 month interest amounting Rs. 80.97 Lakh in FY 2020-21 which has been added to principal amount. It carried interest rate of one year MCLR plus spread of 70bps p.a. to be reset annually. The interest rate for the current year varied from 8.15% to 7.90%. Total Instalment payable for FY 2021-22 is Rs 308 Lakh (PY 2020-21 Rs 176 Lakh).		
	(ii) Lease liabilities	<u>326.68</u>	<u>380.08</u>
		<u>326.68</u>	<u>380.08</u>
18	Provisions		
	Provision of Gratuity (Refer note no 43)	16.94	11.58
	Provision of Leave Encashment (Refer note no 43)	5.67	6.35
		<u>22.61</u>	<u>17.93</u>
	Current liabilities		
19	Financial liabilities		
	(i) Borrowings		
	- from bank Cash Credit	689.14	515.56
	- Current maturity of long term borrowings	308.00	176.00
	- from Inter-co Loans	-	209.07
		<u>997.14</u>	<u>900.63</u>
	Cash credit		
	Cash Credit is secured by hypothecation of stocks of raw material, semi finished goods, finished goods, store & spares, book debts and movable assets of the company. It carried interest which varies from 9.53% to 8.30%.		
	Inter company loans		
	Acquired Inter-co Loan (unsecured) from Dalmia Refractories Limited, to meet temporary requirement of the fund. It carried interest 9.55% and further revised to 8.75%.		



Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes	Particulars	As at March 31, 2022	As at March 31, 2021
18	Financial liabilities (Continued)		
	(ii) Lease liabilities	56.95	51.05
		<u>56.95</u>	<u>51.05</u>
	(iii) Trade Payables		
	-Total outstanding dues of micro enterprises and small enterprises	704.35	285.47
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	2,101.61	1,058.39
		<u>2,805.96</u>	<u>1,343.86</u>

Trade Payables Ageing Schedule March 2022					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	704.35	-	-	-	704.35
(ii) Others	1,963.72	131.30	2.93	3.66	2,101.61
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	2,668.07	131.30	2.93	3.66	2,805.96

Trade Payables Ageing Schedule March 2021					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	285.47	-	-	-	285.47
(ii) Others	1,051.80	2.93	3.66	-	1,058.39
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	1,337.27	2.93	3.66	-	1,343.86

Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006.

(iv) Other financial liabilities

- Liability for capital assets	7.44	457.23
- Employee's benefits payable	19.48	7.39
- Others	326.07	114.99
	<u>352.99</u>	<u>579.61</u>

20 Other current liabilities

Advances from Customers	113.20	111.31
Statutory Liabilities	17.25	10.36
	<u>130.45</u>	<u>121.67</u>

21 Provision

Provision of Gratuity (refer note no. 43)	0.11	0.07
Provision of Leave Encashment (refer note no. 43)	1.18	0.70
	<u>1.29</u>	<u>0.77</u>



Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

Notes	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
22	Revenue from operations		
	Revenue from operation	10,015.21	5,005.13
		10,015.21	5,005.13
21.1	Disaggregated revenue information		
	Sale of products		
	Refractories	9,201.09	4,740.17
	Traded goods	359.75	31.51
		9,560.84	4,771.68
	Sale of Services	448.08	229.79
		448.08	229.79
	Other Operating Revenue		
	Scrap Sales & Others	6.29	3.65
		6.29	3.65
		10,015.21	5,005.13
	Timing of revenue recognition		
	Goods transferred at a point in time	10,015.21	5,005.13
	Total Revenue from contract with customers	10,015.21	5,005.13

21.2 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customer.

	As at March 31, 2022	As at March 31, 2021
Contract assets		
Trade receivables	3,155.32	1,136.03
Contract liabilities		
Advances from customer	113.20	111.31

21.3 Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operation	10,015.21	5,005.13
Adjustment:		
Significant financing component	-	-
Sales return	-	-
Rebate and Discount	-	-
	10,015.21	5,005.13

21.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at December 31, 2021 are as follows:

	As at March 31, 2022	As at March 31, 2021
Advances from customer	113.20	111.31
	113.20	111.31

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial period.



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

		(₹ in lakh)	
Notes	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
23	Other income		
	Interest income from bank/others	2.29	2.50
	Provision/Liabilities no longer required written back	3.85	-
	Miscellaneous income	1.52	1.15
		<u>7.66</u>	<u>3.65</u>
24	Cost of Material consumed		
	Opening stock	476.99	397.47
	Add:Purchase	7,607.01	3,586.94
	Less: Closing Stock	821.93	476.99
	Consumption	<u>7,262.06</u>	<u>3,507.43</u>
25	Changes in inventories of finished goods and work - in - progress		
	Opening Stock		
	-Work in Progress	25.62	45.38
	-Finished Goods	162.90	145.91
		<u>188.52</u>	<u>191.29</u>
	Closing Stock		
	-Work in Progress	35.17	25.62
	-Finished Goods	70.99	162.90
		<u>106.16</u>	<u>188.52</u>
	Change in Inventories	<u>82.36</u>	<u>2.77</u>
26	Employee benefits expense		
	Salaries, Wages, Allowances & Commission	449.92	351.74
	Contribution to Provident & Other funds	14.90	13.85
	Gratuity & Leave Encashment	5.47	9.86
	Staff welfare expenses	3.68	3.17
		<u>473.97</u>	<u>378.62</u>
27	Finance costs		
	Interest on		
	(i) Term Loans	135.00	157.30
	(ii) Cash Credits	23.81	28.92
	(iii) Others	38.09	36.83
	Other borrowing cost	7.93	-
		<u>204.83</u>	<u>223.05</u>
28	Depreciation and amortization expense		
	Depreciation on tangible assets	165.45	156.05
	Depreciation on Rights to use assets	63.72	65.12
	Amortization on intangible assets	0.33	0.33
		<u>229.50</u>	<u>221.50</u>



Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

		(₹ in lakh)	
Notes	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
29	Other expenses		
	Consumption of stores & spare parts	16.97	9.86
	Power and fuel	154.57	108.70
	Packing freight & transport	375.28	252.00
	Rent	3.42	2.11
	Repairs to buildings	3.41	0.55
	Repairs to machinery	35.18	24.47
	Repairs others	5.10	4.92
	Insurance	6.35	6.04
	Rates and taxes	4.14	3.87
	Payment to the auditors		
	- Statutory Audit fees	4.20	2.75
	- Limited Review fees	3.20	2.70
	- Tax Audit Fees	0.75	0.50
	- Other Services	0.90	-
	- for reimbursement of expenses	0.10	2.69
	Advertisement & publicity	0.30	0.08
	Foreign Exchange Fluctuations	7.90	17.81
	Travelling & Conveyance	66.76	25.12
	Professional & Legal Fees	21.58	27.08
	Application Services Expenses	376.49	215.41
	Royalty Expenses	44.25	2.00
	Commission	215.08	
	Bad Debts Written off	0.11	5.91
	Provision for Doubtful Debt	3.06	(5.25)
	Miscellaneous expenses	47.11	26.15
		1,396.21	735.47
30	Tax expense		
	<u>Deferred tax</u>		
	- Deferred tax Asset	88.51	(17.36)
		88.51	(17.36)
	Tax reconciliation		
	Profit / (Loss) as per statement of profit and loss	373.94	(60.07)
	Enacted tax rate	25.17%	25.17%
	Tax should be	94.11	(15.12)
	Reconciliation item		
	Permanent disallowance of the expenditure		
	Change in rate of tax	-	-
	Previous year tax actualisation	(5.60)	(2.24)
		88.51	(17.36)
31	Earning per share		
		Unit of Measurement	
	Profit / (Loss) after Tax	Rupees in lakh	
		285.51	(41.48)
	Weighted average of number of equity shares	Number	
		2,00,00,000	2,00,00,000
	Nominal value of Equity Share (Rs)	Rupees	
		10	10
	Basic and Diluted earning per share (Rs.)	Rupees	
		1.43	(0.21)



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

32 Contingent liabilities:	As at March 31, 2022	As at March 31, 2021
Claim against Company not acknowledged as debt	Nil	Nil
33 Capital & other commitments	As at March 31, 2022	As at March 31, 2021
Estimated amount of Contract remaining to be executed on capital account and not provided for	5.13	135.00
Other commitment	365.64	-
	370.77	135.00
34 Auditor's remuneration (Exclusive of tax)	For the year ended March 31, 2022	For the year ended March 31, 2021
Quarterly Limited Review fees	3.20	3.15
Statutory audit fee	4.55	4.10
Tax audit fee	0.75	0.50
	8.50	7.75

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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

35 Segment Information**Operating Segments**

The Company is primarily engaged in a single operating segment of manufacture and sale of Refractory and hence this is the only reportable primary business segment.

Entity wide disclosures**Product**

	<u>2020-21</u>	<u>2020-21</u>
Domestic	9,873.36	4,773.29
Rest of the World	141.85	231.83
Total	<u>10,015.21</u>	<u>5,005.12</u>

There is 1 customer in FY 2021-22 (3 customers in FY 2020-21) where revenue from that customer aggregating to Rs. 3,169.57 lakh (2020-21: Rs. 2199.44 lakh) exceeds 10 per cent or more from each customer of Group's revenues during the current year.

36 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes),
- (ii) Discount Rate
- (iii) Growth Rates and
- (iv) Capital Expenditure

37 Events occurring After the Balance Sheet date

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

38 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Company for the Financial year 2020-21.

39 Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

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



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

40 Lease related disclosures

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has leases for Plant and Equipment, building, warehouses and related facilities. We have added leased cars to employee facilitation.

The following is the movement in lease liabilities and corresponding Right to use asset for leases classified under lease arrangements during the year ended December 31, 2021 :

Right to use Asset Movement

Building	For the year ended 31 March 2022	For the year ended 31 March 2021
Right to use assets-opening balance	-	-
Addition during the year	-	-
Depreciation during the year	-	-
Right to use assets-closing balance	-	-

Lease obligation Movement

	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease obligation-Opening balance	431.13	454.35
Addition to lease obligation	8.07	30.50
Payment of lease	(71.07)	(90.55)
Addition as interest	28.93	36.83
Lease obligation-Closing balance	397.06	431.13

The following is the break-up of current and non-current lease liabilities as at December 31, 2021 :

Lease Liabilities	As at 31 March 2022	As at 31 March 2021
Current	56.95	51.05
Non Current	326.68	380.08
Total	383.63	431.13

The table below provides details regarding contractual maturities of lease liabilities of non cancellable contractual commitments on undiscounted basis.

As at 31 March 2022

	Lease Payments	Interest expense	Net Present value
Less than one year	90.10	33.15	56.95
One to five years	407.71	81.03	326.68
More than five years	-	-	-
Total			383.63

As at 31 March 2021

	Lease Payments	Interest expense	Net Present value
Less than one year	88.83	37.78	51.05
One to five years	414.26	109.95	304.31
More than five years	79.63	3.85	75.78
Total			431.14

The statement of profit or loss shows the following amounts relating to leases:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right to use assets	-	-
Interest expense on lease liability (included in finance cost)	28.93	36.83
Total	28.93	36.83



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Dalmia Seven Refractories Limited

CIN:-U74999DL2016PLC309327

Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

41 Related party transactions**A) List of related parties along with nature and volume of transaction is given below****(i) Holding Company:-**

Dalmia Bharat Refractories Limited (51%)

(ii) Promoters of the Company:-

Dalmia Bharat Refractories Limited & Seven Refractories GesmbH

(iii) Directors of the Company:

- Mr. Sameer Nagpal
- Mr. Erik Zobec
- Mr. C.N. Maheshwari
- Mr. Roman Cheglov

(iv) Key Managerial Person:-

- Mr. Sheikh Bashir Mohammed – Manager (up to 31.05.2021)
- Mr. Sanat Ganguli – Manager (wef 01.06.2021)
- Mr. Binayak Kumar Shah – Chief Financial Officer
- Ms. Akansha Jain – Company Secretary (up to 30.11.2020)
- Mr. Ayush Jain – Company Secretary (wef 01.12.2020)

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

Dalmia GSB Refractories Germany GmbH, Seven Refractories d.o.o, Seven Refractories ooo (Russia), Seven Refractories S.r.l. (Italy), Seven Refractories Deutschland GmbH, Seven Asia, Kazakstan, Seven Refractories Ukraine ooo (Ukraine)

(vi) Related Parties of the Holding Company with whom the transactions has taken place during the year

Dalmia Cement (Bharat) Limited, Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited), Dalmia DSP Limited, Dalmia Bharat Limited, Calcom Cement Limited, Murli Industries Limited

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

Description of Related Party	Name of Related Party	Nature of transactions	For the Year ended March 31, 2022	For the year ended March 31, 2021
Promoters	Dalmia Bharat Refractories Limited	Purchase of material	270.80	44.22
		Availment of leasing / rental services	79.63	79.63
		Sale of refractory goods & services	826.04	1,327.66
		Reimbursement of expenses	0.25	0.50
		Inter-co Loan	-	200.00
		Interest on Inter-co Loan	0.67	9.80
		Royalty Expense	2.00	2.00
		Management services	41.84	-
		Commission on Sales	211.04	-
		Issue of equity share	-	510.00
	Seven Refractories GesmbH	Issue of equity share	-	490.00
		Royalty payable	42.25	-



Dalmia Seven Refractories Limited

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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

41 Related party transactions (Continued)

Description of Related Party	Name of Related Party	Nature of transactions	For the Year ended March 31, 2022	For the year ended March 31, 2021
Related parties of the Holding Companies	Dalmia Cement (Bharat) Ltd	Sale of refractory goods & services	268.11	179.12
	Govan Travels, (Prop. Dalmia Bharat Sugar & Industries Ltd)	Availing /rendering of services of resources	14.84	2.19
	Dalmia DSP Limited	Sale of refractory goods & services	-	239.90
	Calcom Cement Ltd.	Sale of refractory goods & services	23.98	14.95
	Dalmia Bharat Limited	Availment of Management Services	0.17	5.71
	Murli Industries Limited	Sale of refractory goods & services	13.07	6.41
Enterprise controlled by Promoters	Seven Refractories D.O.O.	Purchase of material	14.64	32.95
		Purchase of capital items	-	15.14
Key Management Personnel	Mr. Sheikh Bashir Mohammed - Manager	Salary & perquisite	7.01	39.31
	Mr. Sanat Ganguli - Manager	Salary & perquisite	37.14	-
	Mr. Binayak Kumar Shah - CFO	Salary & perquisite	27.31	26.26
	Mr. Ayush Jain - CS	Salary & perquisite	5.49	1.89
	Mr. Akansha Jain - CS	Salary & perquisite	-	-



Dalmia Seven Refractories Limited

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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

41 Related party transactions (Continued)**C) Balance outstanding at the year end**

Description of Related Party	Name of Related Party	Outstanding Balance at year end	As at March 31, 2022	As at March 31, 2021
Promoters	Dalmia Bharat Refractories Limited	Amount receivable	85.03	318.35
Related parties of the Holding Companies	Dalmia Cement (Bharat) Limited	Amount receivable	10.08	28.89
	Dalmia DSP Limited	Amount receivable	-	7.49
	Murli Industries Limited	Advance received	-	39.35
Promoters	Dalmia Bharat Refractories Limited	Amount payable	585.87	233.67
		Inter-co Loan & Interest Payable	-	209.07
	Seven Refractories GesmbH	Amount payable royalty	75.94	38.89
Enterprise controlled by Promoters	Seven Refractories D.O.O.	Amount Payable Capex	-	455.84
	Seven Refractories D.O.O.	Amount Payable Non Capex	30.82	61.24
Related parties of the Holding Companies	Govan Travels, (Prop. Dalmia Bharat Sugar & Industries Ltd)	Amount Payable	4.65	1.19
	Dalmia Bharat Limited	Amount Payable / (Advance given)	-	5.75



42 (i) Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ 0.74 Lakh is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(ii) Disclosure of gratuity (non-funded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(iii) Change in benefit obligation	As at March 31, 2022		As at March 31, 2021	
	Gratuity (un funded)	Leave Encashment	Gratuity (un funded)	Leave Encashment
Present value of obligation as at the beginning of the period	11.65	7.04	9.37	2.67
Acquisition adjustment	-	-	-	-
Interest cost	0.81	0.49	0.65	0.19
Past service cost	-	-	-	-
Current service cost	4.71	2.66	4.27	3.14
Curtailment cost/(Credit)	-	-	-	-
Settlement cost/(Credit)	-	-	-	-
Benefits paid	-	(0.15)	(1.00)	(0.57)
Actuarial (gain)/loss on obligation	(0.11)	(3.19)	(1.64)	1.62
Present value of obligation as at the end of period	17.05	6.85	11.65	7.04
(iv) Actuarial Gain/Loss on plan assets				
Expected return on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Actuarial gain / loss recognized	-	-	-	-
(v) Actuarial Gain/Loss recognised				
Actuarial gain / (loss) for the period- obligation	0.11	3.19	1.64	(1.62)
Actuarial (gain) / loss for the period - plan assets	-	-	-	-
Total (gain) / loss for the period	(0.11)	(3.19)	(1.64)	1.62
Actuarial (gain) / loss recognized in the period	(0.11)	(3.19)	(1.64)	1.62
Unrecognized actuarial (gains) / losses at the end of period	-	-	-	-
(vi) The amounts to be recognized in balance sheet and related analysis				
Present value of obligation as at the end of the period	17.05	6.85	11.65	7.04
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(17.05)	(6.85)	(11.65)	(7.04)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains) / losses	-	-	-	-
Net asset / (liability) recognized in balance sheet	(17.05)	(6.85)	11.65	7.04



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Dalmia Seven Refractories Limited

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(iii) Change in benefit obligation	As at March 31, 2022		As at March 31, 2021	
	Gratuity (un funded)	Leave Encashment	Gratuity (un funded)	Leave Encashment
(vii) Expense recognized in the statement of profit and loss				
Current service cost	4.71	2.66	4.27	3.14
Past service cost	-	-	-	-
Interest cost	0.81	0.49	0.65	0.19
Expected return on plan assets	-	-	-	-
Curtailement cost / (Credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.11)	(3.19)	(1.64)	1.62
Expenses recognized in the statement of profit & losses	5.40	(0.05)	3.28	4.94
(viii) Reconciliation statement of expense in the statement of profit and loss				
Present value of obligation as at the end of period	17.05	6.85	11.65	7.04
Present value of obligation as at the beginning of the period	11.65	7.04	9.37	2.67
Benefits paid	-	0.15	1.00	0.57
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the statement of profit & losses	5.40	(0.05)	3.28	4.94
(ix) Amounts for the current period				
Present value of obligation as at the end of period	17.05	6.85	11.65	7.04
Fair value of plan assets at the end of the period	-	-	-	-
Surplus / (Deficit)	(17.05)	(6.85)	(11.65)	(7.04)
Experience adjustment on plan liabilities (loss) / gain	(0.34)	2.99	2.83	(0.83)
Experience adjustment on plan Assets (loss) / gain	-	-	-	-
(x) Movement in the liability recognized in the balance sheet				
Opening liability	11.65	7.04	9.37	2.67
Expenses as above	5.40	(0.05)	3.28	4.94
Benefits paid	-	(0.15)	(1.00)	(0.57)
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Closing liability	17.05	6.85	11.65	7.04
(xi) Bifurcation of PBO at the end of year as per schedule III to the companies act, 2013.				
Current Liability	0.11	1.18	0.07	0.70
Non-current Liability	16.94	5.67	11.58	6.35
Total PBO at the end of year	17.05	6.85	11.65	7.04
(xii) Impact of the change in discount rate				
Present Value of Obligation at the end of the period	17.05	6.85	11.65	7.04
Impact due to increase of 0.50%	(0.86)	(0.38)	(0.64)	(0.41)
Impact due to decrease of 0.50 %	0.94	0.42	0.70	0.45
(xiii) Impact of the change in salary increase				
Present Value of Obligation at the end of the period	17.05	6.85	11.65	7.04
Impact due to increase of 0.50%	0.93	0.42	0.70	0.45
Impact due to decrease of 0.50 %	(0.86)	(0.38)	(0.64)	(0.41)



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Dalmia Seven Refractories Limited

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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

43 Financial Risk Management

Financial instruments by category

	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	32.84	-	-	1,015.79
Trade Receivable	-	-	3,152.26	-	-	1,136.03
Other			107.29			8.78
Total financial assets	-	-	3,292.39	-	-	2,160.60
Financial liabilities						
Borrowings			2,304.37			2,512.61
Trade Payables			2,805.96			1,343.86
Other			352.99			579.61
Total financial liabilities	-	-	5,463.32	-	-	4,436.08

Financial risk management objectives and policies

(i) Financial risk factors

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

(ii) Credit risk management

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

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each year end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in accounting policy. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	2,702.90	449.36	1,120.15	15.88
Expected Credit Losses (B)	-	-	-	-
Net Carrying Amount (A-B)	2,702.90	449.36	1,120.15	15.88



Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

43 Financial Risk Management (Continued)

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021.

44 a Liquidity risk management

Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines, by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows.

The table below analysed the maturity profile of the Companies financial liabilities.

Particulars	Payable on Demand	Less than 1 year	More than 1 year	Total
As at March 31, 2021				
Borrowing	515.56	385.07	1,611.98	2,512.61
Other financial liabilities	-	579.61	-	579.61
Trade payable & Other Payable	-	1,343.86	-	1,343.86
Total	515.56	2,308.54	1,611.98	4,436.08
As at March 31, 2022				
Borrowing	689.14	308.00	1,307.23	2,304.37
Other financial liabilities	-	352.99	-	352.99
Trade payable & Other Payable	-	2,805.96	-	2,805.96
Total	689.14	3,466.95	1,307.23	5,463.32

44 b To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 c To the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 d During the year, the company doesn't have any transaction with struck-off companies U/s 248 of Companies Act, 2013.



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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

45 Market Risk:

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market risk. The company is exposed to the risk of movements in interest rate, inventory price and foreign currency exchange rate that effects its assets, liabilities and future transaction. The companies is exposed to the following key market risk.

(i) Interest Rate Risk

Interest risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest risk. The company's exposure to the risk of changes in market interest rate relates primarily to the company's short term borrowing obligation in the for of cash credit carrying floating interest rate.

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Rate Borrowing
As at March 31, 2022	1,615.23	689.14	2,304.37
As at March 31, 2021	2,129.05	515.56	2,644.61

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

Sensitivity on variable rate borrowings

	Impact on Profit & Loss Account	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest rate increase by 0.25%	(1.72)	(1.29)
Interest rate decrease by 0.25%	1.72	1.29

(ii) Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables.. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts.

The details of foreign currency (FC) exposure is as follows:

Particulars	FY 2021-22		FY 2020-21	
	FC in Lakh	₹ in Lakh	FC in Lakh	₹ in Lakh
Unhedged Foreign Currency				
Other Payables	5.40	420.79	7.34	621.79
Receivable				
Trade Receivable	0.25	20.37	0.69	51.04

Rate Sensitivity

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

Particulars	Increase / Decrease in basis points	Statement of profit and loss	
		For the year ended March 31, 2022	For the year ended March 31, 2021
Euro Sensitivity	+ 50 basis	0.67	3.02
	- 50 basis	(0.67)	(3.02)
Dollar Sensitivity	+ 50 basis	1.54	0.26
	- 50 basis	(1.54)	(0.26)



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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

46 Financial Instrument - Disclosure

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

Sl.No	Particulars	Note	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial assets designated at fair value through profit and loss						
	<u>Current</u>						
	- Investment in mutual funds and others	A	Level-1	-	-	-	-
2	Financial assets designated at fair value through other comprehensive						
3	Financial assets designated at amortised cost	B					
	<u>Non Current</u>						
	Others			107.29	107.29	8.78	8.78
	<u>Current</u>						
a)	Trade receivables *			3,152.26	3,152.26	1,136.03	1,136.03
b)	Cash & Cash Equivalents *			32.84	32.84	1,015.79	1,015.79
				3,292.39	3,292.39	2,160.60	2,160.60

Financial Liabilities

Sl.No	Particulars		Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial liability designated at amortised cost	B					
	<u>Non Current</u>						
	- Borrowings			1,307.23	1,307.23	1,611.98	1,611.98
	<u>Current</u>						
	Borrowings*			997.14	997.14	900.63	900.63
	Trade payables*			2,805.96	2,805.96	1,343.86	1,343.86
	Other financial liabilities*			352.99	352.99	579.61	579.61
				5,463.32	5,463.32	4,436.08	4,436.08

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

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



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Dalmia Seven Refractories Limited

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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

47 Capital Management

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (i)	2,304.37	2,512.61
Cash & bank balances	32.84	1,015.79
Net Debt	2,271.53	1,496.82
Total Equity	1,480.52	1,195.01
Net debt to equity ratio (Gearing Ratio)	1.53	1.25

(i) Debt includes long term and short term borrowings

48 Ratios - Based on the requirements of Amended Schedule III

Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for Variance
Current ratio	Total Current Assets	Total Current Liabilities	1.06	1.07	-1%	
Debt equity ratio	Borrowings	Total Equity less Other comprehensive income	1.56	2.10	-26%	Payment of Loan Instalment and Improvement in Margin
Debt service coverage ratio	PBT+Finance cost	Current Borrowing	0.58	0.18	221%	Improvement in Margin
Return on equity ratio	PAT	Share capital	0.14	(0.02)	-768%	Improvement in Margin
Inventory turnover ratio	Revenue from Operation	Inventories	8.37	6.73	24%	
Trade receivable turnover ratio	Revenue from Operation	Trade Receivable	3.18	4.41	-28%	Improvement in collection against sales
Trade payables turnover ratio	Revenue from Operation	Trade Payables	2.48	2.59	-4%	
Net capital turnover ratio	Revenue from Operation	Current Assets - Current Liabilities	39.56	23.50	68%	Reduced working capital
Net profit ratio	PAT	Revenue from Operation	0.03	(0.01)	-434%	Improvement in Margin
Return on capital employed	EBIT	Total Assets less Current Liabilities and Intangible Assets	0.18	0.05	263%	Improvement in Margin
Return on investment						



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Dalmia Seven Refractories Limited

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Notes to the financial statements for the year ended March 31, 2022

(₹ in lakh)

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

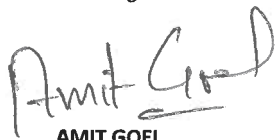
	As at March 31, 2022	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	704.35	285.47
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.

50 Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date

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



AMIT GOEL
Partner
Membership No. 500607



Place: New Delhi
Date: 03-MAY-2022

For and on behalf of
Dalmia Seven Refractories Limited



Sameer Nagpal
Director
DIN : 06599230



C.N. Maheshwari
Director
DIN : 00125680



Ayush Jain
Company Secretary



Binayak Kumar Shah
Chief Financial Officer

