



# BARAK VALLEY CEMENTS LTD.

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CIN : L01403AS1999PLC005741



ISO 9001:2015 CERT. No.:  
QAC/R91/1941

Ref: 0110/BVCL/2018-19

October 01, 2018

To  
The General Manager  
Department of Corporate Services,  
BSE Limited  
Phiroze Jee Jee Bhoy Tower  
Dalal Street, Fort  
Mumbai-400001  
Fax: 022-22722061/41/39  
Phone No. 91-22-22721233/4

To  
The General Manager  
Department of Corporate Services,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai-400051  
Fax: 022-26598237/38/47  
Phone No. 022-2659-8235/36

Scrip Code- 532916

Scrip Code- BVCL

**Sub: Submission of Nineteenth Annual Report for the Financial Year 2017-18**

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the Annual Report (FY 2017-18) of the Barak Valley Cements Limited duly approved by the Shareholders in the 19<sup>th</sup> Annual General Meeting held on September 28, 2018.

You are requested to take the above information on your records for its appropriate dissemination.

Thanking you,  
Yours Faithfully,

**For BARAK VALLEY CEMENTS LIMITED**

  
**Gaurav Aggarwal**  
(Company Secretary & Compliance Officer)



The cover design is composed of several geometric shapes. A large orange diamond in the upper left contains a photograph of a cement factory with tall silos and complex piping. A yellow-to-orange gradient diamond in the center-right contains the text 'ANNUAL REPORT 2017-18'. A blue diamond in the lower left shows a close-up of several blue cement bags stacked in a container. A light gray diagonal band runs from the bottom left towards the top right. The company name 'BARAK VALLEY CEMENTS LIMITED' is printed in blue at the bottom right.

**ANNUAL  
REPORT  
2017-18**

**BARAK VALLEY CEMENTS LIMITED**

# BARAK VALLEY CEMENTS LIMITED

## Annual Report 2017-2018

### Composition of Board :

|                            |                                     |
|----------------------------|-------------------------------------|
| Mr. Kamakhya Chamaria      | Vice Chairman and Managing Director |
| Mr. Mahendra Kumar Agarwal | Vice Chairman                       |
| Mr. Santosh Kumar Bajaj    | Director                            |
| Mr. Bijay Kumar Garodia    | Director                            |
| Mr. Prahlad Rai Chamaria   | Director                            |
| Mr. B. P. Bakshi           | Director                            |
| Mr. D. R. Agarwal          | Director                            |
| Mr. Ramesh Chandra Bajaj   | Director                            |
| Mr. Vishal More            | Director                            |
| Mrs. Renu Kejriwal         | Director                            |

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#### Company Secretary

Ms. Saakshi Manchanda

#### Auditor

M/s. P.K. Lakhani & Co.  
Chartered Accountants,  
301, 3rd Floor, Apna Bazar  
Gurgaon, Haryana-122001

#### Bankers and FIs

IDBI Bank Ltd.  
North Eastern Development Finance Corporation (NEDFi)

#### Offices:

Regd. Office:  
202, Royal View,  
B.K. Kakoti Road,  
Ulubari, Guwahati,  
Assam-781007

#### Works:

Debendranagar,  
Jhoom Basti,  
Badarpurghat,  
Distt. Karimganj,  
Assam-788803

#### Corp. Office:

281, Deepali,  
Pitampura,  
Delhi-110034

#### Branches:

1. Bharat Trade Building,  
Shyama Prasad Road,  
Silchar, Assam
2. CF-361,  
Salt Lake City, Kolkata,  
West Bengal-700064

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## DIRECTORS' REPORT

**To  
The Members,  
Barak Valley Cements Limited**

The Directors of your Company are pleased to present the 19<sup>th</sup> Annual Report together with the Company's Audited Financial statements (Standalone and Consolidated) for the Financial Year ended 31<sup>st</sup> March 2018.

### 1. FINANCIAL RESULTS

The highlights of the financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2018 as compared to the previous financial year are as under:

(Rs. in lakhs)

| Particulars                                                                     | Standalone                           |                                      | Consolidated                         |                                      |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                 | Year Ended as at<br>31st March, 2018 | Year Ended as at<br>31st March, 2017 | Year Ended as at<br>31st March, 2018 | Year Ended as at<br>31st March, 2017 |
| Revenue from Operations (net)                                                   | 15178.64                             | 12416.51                             | 15949.97                             | 13189.00                             |
| Other Income                                                                    | 70.29                                | 92.99                                | 59.57                                | 65.76                                |
| <b>Total Sales &amp; other Income</b>                                           | <b>15248.93</b>                      | <b>12509.50</b>                      | <b>16009.54</b>                      | <b>13254.76</b>                      |
| <b>Income before Finance cost, Depreciation and Amortization and Income tax</b> | <b>1885.64</b>                       | <b>1092.14</b>                       | <b>1873.02</b>                       | <b>1187.80</b>                       |
| Less: Depreciation and Amortization expenses                                    | (601.74)                             | (291.93)                             | (716.62)                             | (438.18)                             |
| <b>Profit before Interest and Income Tax</b>                                    |                                      |                                      |                                      |                                      |
| Less: Finance Cost                                                              | (929.88)                             | (541.34)                             | (1344.85)                            | (934.64)                             |
| <b>Profit/(Loss) before Income Tax</b>                                          | <b>354.02</b>                        | <b>258.87</b>                        | <b>(188.45)</b>                      | <b>(185.03)</b>                      |
| Less: Provision for Income tax                                                  |                                      |                                      |                                      |                                      |
| -Earlier year provisions written back                                           | -                                    | -                                    | (31.90)                              | -                                    |
| -Current Income Tax                                                             | 73.07                                | 54.88                                | 73.07                                | 54.88                                |
| -Deferred Tax liability/(Assets)                                                | (1.97)                               | 53.60                                | (1.50)                               | 33.13                                |
| <b>Profit/Loss After tax</b>                                                    | <b>282.91</b>                        | <b>150.39</b>                        | <b>(228.12)</b>                      | <b>(273.04)</b>                      |

### INDIAN ACCOUNTING STANDARDS

As per notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2017. Accordingly, Financial statements for the year ended 31<sup>st</sup> March, 2017 have been restated to conform to Ind AS. The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts in both the Standalone and Consolidated Financial Statements.

### 2. STATE OF COMPANY'S AFFAIRS

The Company is principally engaged in the business of manufacturing of cement of different grades and is marketing its product under the brand name "Valley Strong Cement" and has also diversified its business in Tea Cultivation lines through its subsidiaries.

All of these Business activities are carried out by the Company in the North East Region. The financials of your Company along its subsidiaries had already been mentioned in this report.

### 3. SUBSIDIARIES

Your Company has seven wholly owned subsidiaries viz. (i) Cement International Limited, (ii) Badarpur Energy Private Limited, (iii) Meghalaya Minerals and Mines Limited, (iv) Singlacherra Tea Company Private Limited, (v) Goombira Tea Company Limited, (vi) Chargola Tea Company Private Limited and (vii) Valley Strong Cements (Assam) Limited during the year under review.

Cement International Limited is engaged in the business of manufacturing of Cement. During the year under review the Company gross revenue was NIL.

Badarpur Energy Private Limited, wholly owned subsidiary of your Company is currently not operational.

Meghalaya Minerals and Mines Limited is engaged in the business of extraction of Minerals. During the under review the Company gross revenue was Rs. 1161.29 lakhs.

Singlacherra Tea Company Private Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs. 65.62 lakhs.

Goombira Tea Company Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs. 444.04 lakhs.

Chargola Tea Company Private Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs 11.01 lakhs.

Valley Strong Cements (Assam) Limited, wholly owned subsidiary of your Company has not commenced its commercial production.

The annual accounts of the subsidiary companies will also be kept open for inspection at the Head Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

Your Company has formulated a policy for determining material subsidiaries and is available at the Website of the the below mentioned link:

***[“http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf”](http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf)***

The statement containing the salient features of the financial statements of subsidiaries in pursuant to the proviso of sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 relating to subsidiaries is annexed with the financial statements in the Form AOC – 1.

Your Company does not have any Associate or Joint Venture.

### 4. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, applicable accounting standards and provisions of the Listing Regulations forms part of the Annual Report.

The detailed financial statements and audit reports of each of the subsidiaries of the Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. The Company will arrange to send the financial statements of the subsidiaries upon written request from a shareholder to the registered address of the said shareholder.

### 5. CHANGES IN CAPITAL STRUCTURE

The Equity Shares of the Company are being traded on National Stock Exchange of India Limited and BSE Limited, since 23<sup>rd</sup> November, 2007.

As at 31<sup>st</sup> March, 2018 the paid-up capital of the Company was Rs. 22,16,00,000/- divided into 2,21,60,000 Equity Shares of Rs. 10/- each and there was no change in capital structure of your Company during the year under report.



**6. OPERATIONS****5.1 Standalone**

The Standalone turnover of the Company stood at Rs. 15178.64 Lakhs during the year 2017-18, which has been increased in comparison to previous year turnover of Rs. 12416.51 Lakhs. Your Company has earned a Profit of Rs. 282.91 Lakhs during the financial year 2017-18, in comparison with the previous year profit of Rs. 150.39 Lakhs.

**5.2 Consolidated**

During the year 2017-18 the consolidated revenue from operations has been increased to Rs. 15949.97 Lakhs as compared to Rs. 13189.00 Lakhs in the period 2016-17. The consolidated loss has also decreased from Rs. (279.26) Lakhs in 2016-17 to Rs. (227.92) Lakhs during the financial year 2017-2018.

**7. DIVIDEND**

The Board of Directors after considering the performance of the Company for the Financial Year 2017-18 have decided to not to recommend dividend this financial year 2017-2018.

**8. PUBLIC DEPOSITS AND BUY BACK OF SHARES**

During the period under review, your Company has not accepted any deposit from public/shareholders in accordance with Section 73 of the Companies Act, 2013 and rules made there under and hence no amount of principal or interest was outstanding as on 31<sup>st</sup> March, 2018.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31<sup>st</sup> March, 2018.

**9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements as prescribed in the Annual Report.

**10. TRANSFER TO RESERVES**

During the year under review no amount was transferred to Reserves.

**11. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There has been no such material change(s) and commitment(s) incurred during the financial year i.e. affecting the financial position of the Company during the year under report.

**12. RELATED PARTY TRANSACTIONS**

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the below mentioned Link:

<http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20RELATED%20PARTY%20TRANSACTION.pdf>.

### **13. COMMITTEES OF THE BOARD OF DIRECTOR'S**

The composition and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance, where the Board has not accepted the recommendation of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The legal provision mandating constitution of Risk Management Committee is not yet applicable to the Company.

### **14. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Integrity and ethics have been the bedrock of the Company's corporate operations. There is no shortcut to integrity. Your Company is committed to conducting its business in accordance with the highest standards of professionalism, honesty and ethical behavior. It has the best systems in place to nurture as honest and ethical working culture.

The Company has a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013. Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has formulated a Whistle Blower Policy for directors, senior executives and employees to report and freely communicate their concerns about the unethical behavior, actual or suspected, fraud or violation or any illegal or unethical practices of the Company's code of conduct and ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Whistle Blower Policy is provided on the website of the Company at the following link:  
<http://www.barakcement.com/index384c.html>.

The contact details of the Vigilance and Ethics Officer is as under:-

Name – Mr. Mukesh Agarwal  
Address -Debendra Nagar, Jhoombasti,  
P.O. Badarpur Ghat, Distt. Karimganj,  
Assam-788803  
E-mail-magarwal.bvcl@gmail.com  
Contact No.- +91-9435078960

### **15. RISK MANAGEMENT**

The Company has a robust risk management process to identify key risks across the Group, and prioritise action plans to mitigate them. Its Risk Management framework is reviewed periodically by the Board and the Audit and Risk Management Committee. The proceedings of the review process include discussions on the management's submissions on risks, prioritisation of key risks and approval of action plans to mitigate such risks. Some of the uncertainties and risks that can affect the business are technological changes, changing customer preferences and behaviour, competition, volatility in prices of cement and macro-economic factors such as an economic slowdown.

### **16. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company does not fall within the ambit of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **17. POLICY ON PREVENTION OF SEXUAL HARASSMENT**

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

## **18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The Existing Directors Composition of the Company has an adequate mix of Executive, Non-Executive and Independent Directors to ensure and maintain the independence of the Board, and separate its functions of Governance and Management. As on March, 31 2018, the Board comprises of 10 members 5 (Five) of whom are Independent (including One Women Director in pursuant to the compliance of Section 149 of the Companies Act, 2013) and 5 (Five) are Non- Independent Directors. As on the aforesaid date, the Company has 8 (eight) non-executive directors and 2 (two) executive director The Board periodically evaluates the need for its change in its composition and size.

The policy of the Company on director's appointment, remuneration, including criteria for determining qualification, positive attributes, independence of director and other matters provided under sub-section (3) of section 178 along has been described in the Corporate Governance Report. We affirm that the Remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

## **19. BOARD EVALUATION**

The Board has evaluated the performance of each director on the Board based on the parameters listed out in the 'Policy on Performance Evaluation of the Board' framed by the Nomination and Remuneration Committee. The evaluation of the Board and its Committees has been done by the Board considering the Board dynamics and processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance and structure of Board Committees, ethics and values, skill set, knowledge and expertise of Directors, leadership, etc. A report in brief on Board evaluation has been given in the Corporate Governance Report which may be taken as forming a part of this Report.

## **20. DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prahlad Rai Chamaria and Mr. Mahendra Kumar Agarwal as Directors of the Company, is liable to retire by rotation and being eligible, offers themselves for re-appointment. In view of his considerable experience, your Directors recommend their re-appointment as Director of the Company.

The term of existing Independent Directors has not expired, therefore none of the Independent Directors stands for Re-appointment.

The shareholders of the Company approved the re-appointment Mr. Bijay Kumar Garodia and Mr. Santosh Kumar Bajaj as Directors of the Company, who were liable to retire by rotation in the Annual General Meeting of the Company held on 28<sup>th</sup> of September, 2017.

Mr. Bijay Kr. Garodia resigned from the post of Chairman of the Company w.e.f. December 14, 2017 and continue to act as a Director.

Tenure of Mr. Santosh Kumar Bajaj as Whole Time Director expired on September 30, 2017 will continue to act as a Non-Executive Director.

The following personnels are the Key Managerial Personnel of the Company:

- 1) Company Secretary: Ms. Saakshi Manchanda (till 04.07.2018)
- 2) Chief Financial Officer: Mr. Sushil Kumar Kothari (till 26.02.2018)

Mr. Sushil Kumar Kothari resigned as Chief Financial Officer and the key Managerial Personnel with effect from February 26, 2018. The Board places on record its appreciation for the services rendered by Mr. Kothari during his tenure with the company.



- 3) Managing Director- Mr. Kamakhya Chamaria
- 4) Chief Executive Officer-Mr. Mukesh Kr. Shovasaria

## **21. DECLARATION BY INDEPENDENT DIRECTOR**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Dhanpat Ram Agarwal, Mr. Vishal more, Mr. Brahm Prakash Bakshi, Mr. Ramesh Chandra Bajaj, and Mrs. Renu Kejriwal are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in section 149 of the Act and the Rules made thereunder about their status as Independent Director of the Company. The Company has received declarations from each independent director under section 149(7) of the Companies Act, 2013, that he/she meets the criteria defined under section 149(6) of the Companies Act, 2013.

## **22. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarization program is available on the Company's website under the web link:

<http://www.barakcement.com/PDF/Company%20Policies/FAMILIARIZATION%20PROGRAM%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

## **23. BOARD MEETINGS**

During the year 5 (five) Board meetings and 5 (five) Audit Committee Meetings were convened. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and in Regulation 17(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **24. MEETINGS OF INDEPENDENT DIRECTORS**

During the year under review, a meeting of Independent Directors was held on 20th March, 2018 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also inter alia assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## **25. DIRECTORS RESPONSIBILITIES STATEMENT**

Pursuant to requirement of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **26. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given separately as “**Annexure A**” and forms part of this Report.

## **27. AUDITORS & AUDITORS' REPORT**

### **27.1 Statutory Auditors**

M/s P.K. Lakhani & Co., Chartered Accountants, (Firm Registration No. 014682-N) Statutory Auditors of the Company, have been appointed by the members at the Eighteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 28<sup>th</sup> September, 2017. The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

### **27.2 Cost Auditors and Cost Audit Report**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, re-appointed Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) as Cost Auditors of the Company for the financial year ended 31st March, 2018 in the Board Meeting held on August 23, 2017. The remuneration proposed to be paid to them for the financial year 2017-18, as recommended by Audit Committee, was ratified in the meeting of shareholders held on 28th September, 2017.

Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) have expressed their willingness and confirmed their eligibility to be appointed as Cost Auditors of the Company for the ensuing financial year. The Board, on recommendation of the Audit Committee, has appointed Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) as Cost Auditors of the Company for the financial year 2018-19 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

The Cost Audit Report for the financial year 2016-17 was duly filed with the Ministry of Corporate Affairs.

The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

## **28. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

In terms of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s. Vidhi Chaudhary & Associates, Company Secretary in Practice (COP No. 12014) as Secretarial Auditor of the Company for the financial year 2017-18. Secretarial audit report as provided by M/s. Vidhi Chaudhary & Associates Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as “**Annexure-B**”. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. The report is self-explanatory and do not call for any further comments.

## **29. AUDIT COMMITTEE**

Your Company has an Audit Committee, in terms of Section 177 of the Companies Act, 2013 and as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the further details of Audit Committee are provided in the Corporate Governance Report.

## **30. INSURANCE**

All the properties of the Company including building, plant and machinery and stocks, where necessary and to the extent required have been adequately insured against major risks.

**31. EXTRACT OF ANNUAL RETURN**

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in Form MGT-9 is annexed herewith and marked as “**Annexure C**”.

**32. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “**Annexure D**”.

**33. MANGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as “**Annexure E**”.

**34. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**35. CORPORATE GOVERNANCE**

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance is annexed and forms part of the Annual Report of the Company. A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance is also annexed. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

**36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year, No significant orders have been passed by any regulatory authority or by any court.

**37. COMPLIANCE WITH THE SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India.

**38. CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI), the CEO/ CFO certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

**39. APPRECIATION**

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future. We thank our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

**For BARAK VALLEY CEMENTS LIMITED**

**Place: New Delhi**

**Date: 13.08.2018**

**Bijay Kumar Garodia**

**(Director)**

**DIN: 00044379**

**Add: CF-361, Salt Lake City  
Sector-I, Block CF-Ward No. 10,  
Bidhan Nagar, north Kolkata,  
West Bengal-700064**

**Kamakhya Chamaria**

**(Vice Chairman & Managing Director)**

**DIN : 00612581**

**Add: 48/72, West Punjabi Bagh  
New Delhi-110026**

**Annexure A****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMIC OVERVIEW**

Amid an improving macro-economic environment, the global economy is witnessing a cyclical recovery, reflecting a rebound in investment, manufacturing and trade. For the first time since 2010, the world economy is outperforming expectations on the back of benign global financing conditions, accommodative policies, rising confidence and firming commodity prices. The global GDP forecast for 2018 and 2019 is 3.9%, up from 3.8% in 2017 and 3.2% in 2016. The global economic growth is broad-based across most advanced and emerging economies, with the Indian economy projected to be the engine of world economic growth, as it is expected to expand at 7.3% and 7.5% in FY 2018-19 and FY 2019-20.

*Source: IMF's World Economic Outlook - April 2018  
World Bank India Report, March 2018*

As the fastest growing economy in the world, India is expected to emerge as one of the top three economic powers of the world over the next 10-15 years, as per the Central Statistics Organisation (CSO) and IMF (International Monetary Fund). Moody's upgradation of India's sovereign rating after 14 years, from Baa3 (lowest investment grade) to Baa2, also underlines the strength of the country's economic fundamentals. After a temporary slowdown triggered by the demonetisation and implementation of GST exercise, the economy started showing signs of recovery in the second half of FY 2017-18. The revival in positive sentiment was reflected in the pick-up in industrial production and a decline in retail inflation (as measured by the CPI) after a period of negativity. The last quarter of the fiscal saw India record its fastest growth in seven quarters at 7.7%, to overtake China, which grew at 6.8% in the quarter ended March 2018. The farm, manufacturing and services sectors propelled this growth, which is expected to sustain in the coming year.

**I. CEMENT INDUSTRY STRUCTURE & DEVELOPMENT**

India is the second largest producer of cement in the world. No wonder, India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, both from Indian as well as foreign investors.

India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent major initiatives such as development of 98 smart cities are expected to provide a major boost to the sector.

Expecting such developments in the country and aided by suitable government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of the raw materials for making cement, such as limestone and coal.

The housing and real estate sector is the biggest demand driver of cement, accounting for about 65 per cent of the total consumption in India. The other major consumers of cement include public infrastructure at 20 per cent and industrial development at 15 per cent.

India's total cement production capacity is nearly 455 million tonnes, as of 2017-18. Cement consumption is expected to grow by 4.5 per cent in FY19 supported by pick-up in the housing segment and higher infrastructure spending. The industry is currently producing 280 MT for meeting its domestic demand and 5 MT for exports requirement.

The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 210 large cement plants account for a cumulative installed capacity of over 350 million tonnes, with 350 small plants accounting for the rest. Of these 210 large cement plants, 77 are located in the states of Andhra Pradesh, Rajasthan and Tamil Nadu.

In order to help the private sector companies thrive in the industry, the government has been approving their investment schemes. Some such initiatives by the government in the recent past are as follows:

In Budget 2018-19, Government of India announced setting up of an Affordable Housing Fund of Rs 25,000 crore (US\$ 3.86 billion) under the National Housing Bank (NHB) which will be utilised for easing credit to homebuyers. The move is expected to boost the demand of cement from the housing segment

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by the year 2025.

Source: IBEF

## Opportunities And Threats, Risks and Concerns

The North Eastern Region of the Country comprising of eight states are very rich in natural resources. Post-independence era and after partition the region became land locked and lost its easy access to ports and rest parts of the country. As a result, it witnessed lack of development in comparison with other states of the country. The Government of India has taken several measures to accelerate growth of the North East Region (NER). Your Company is one among the leading Cement Producing Company in the North-Eastern Region. The North-Eastern Region of India is growing and developing its infrastructure at rapid rate and the abundant resources in the region leads to the cost effective production.

On the infrastructure fronts, long awaited attention has been given for the development. The total budgetary allocation for the NER for the financial year 2018-19 has been set Rs. 47,994.88 crores which is significantly higher of Rs. 7,023.19 crores for the financial year 2017-18. The budget of Development of North Eastern Region (DoNER) Ministry has also been hiked from Rs. 2,737 crores for the financial year 2017-18 to Rs. 3,060 crores. As a result, certain mega infrastructure projects, roads, bridges, expansion of existing power projects have been undertaken in the region. A total of 20 major railway projects for laying of 13 new rail lines, gauge conversions, laying of double tracks, construction of new stations have been initiated. The budget also provided Rs. 1,014.09 crores under UDAN scheme for construction of new and expansion of present and revival of defunct airports, heliports and advanced landing grounds. Under the Bharatmala Pariyojana, construction of 5301 km of roads have been approved and out of which 3,246 km road for development of Economic Corridor in NER. New 92 routes will be opened under the UDAN Scheme. Educational and medical facilities have improved a lot in the region during last few years. Connectivity within NER States and with rest of India has also improved with initiatives taken towards infrastructure development. This has resulted into improved purchasing power with people at large in the Region.

Cement industry being majorly dependent upon availability of quality coal at affordable cost. Policy of the Government may impact availability of coal. Policies of the Government as well as regulatory role may affect the industry to a great extent. India's cement sector has high resource risk as limestone, which is an important raw material used in the production of cement is considered as scarce mineral and extraction of limestone is regulated by various State and Central Laws. Any major changes in Government's Environmental and Forest regulations may affect limestone availability to cement plants. In order to boost the cement sector, the Government of India has allowed FDI in the sector which will attract foreign players in the country and this may lead to tougher competition to the domestic players.

Your Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of Directors of the Company is kept informed about the risk management of the Company.

## II. OUTLOOK

Growth in the cement sector is expected to be around 8% in FY 2018-19, which is encouraging vis-a-vis growth over the last few years. The Government's unrelenting thrust on bringing the nation's infrastructure up to speed coupled with inclusive growth, is the major push factor for the economy. The outlook on the sector is bright.

## III. FINANCIAL PERFORMANCE

The following are the highlights of the performance of the Company on Standalone basis:

| Particulars             | 2017-18 (Rs. in Lakhs) | 2016-17 (Rs. in Lakhs) |
|-------------------------|------------------------|------------------------|
| Revenue from operations | 15,178.64              | 12,416.51              |
| Profit/(Loss) after Tax | 282.91                 | 150.39                 |
| Net Worth               | 8160.17                | 7877.06                |
| Borrowings(Long Term)   | 3704.33                | 3,187.94               |
| Earning Per Share       | 1.28                   | 0.68                   |
| Production(MT)          | 238681.00              | 20,6119                |
| Despatches(MT)          | 239353.00              | 207817.00              |



During the year under report, your Company has earned net profit of Rs. 282.91 Lakhs in comparison to net profit of Rs. 150.39 Lakhs in the previous year.

## **SALES & MARKETING**

Your Company has a diversified customer base in Tripura, Mizoram and Barak Valley Region consisting of potential customers, contractors, builders, institutions, Government Agencies. Your Company's brand "Valley Strong" is a brand of trust and reliance for the people of North East since inception and therefore the entire production of the Company is sold in North east region. During the year the Gross Revenue from operations were Rs. 15178.64 Lakhs in comparison of previous year Rs. 12416.51 Lakhs. Your Company had also incurred Rs. 140.27 Lakhs in the year 2017-18 as compared to Rs. 119.70 Lakhs in the year 2016-17 on the Advertisement, Publicity & Sales Promotion expenses.

## **COSTS**

### **(a) Raw Material**

#### **(i) Lime Stone :**

During the year, the Company has consumed 208137 of MT of Limestone as compared to 146831 MT of Limestone during last year. The main source of Limestone is from wholly owned subsidiary i.e. Meghalaya Minerals & Mines Ltd. The Company had incurred Rs. 1048 per MT an average acquisition cost of Limestone as compared to Rs. 927/- in last year.

#### **(ii) Fly Ash:**

During the year, the Company has consumed 30523 MT of Fly ash against 21144 MT during last year. The average acquisition cost per MT of Fly ash has been Rs. 1005 per MT in current year as compared to Rs. 1029/- per MT in the last year. The total cost of fly ash consumed in the year 2017-18 was Rs. 306.64 lakhs as compared to Rs. 217.48 lakhs in 2016-17.

#### **(iii) Gypsum:**

Gypsum consumption of the Company in the year 2017-18 was 4.91 MT as compared to 24.32 MT in the year 2016-17. The total cost of gypsum in the year 2017-18 was Rs. 0.27 Lakhs and in the year 2016-17 it came out to be Rs. 1.31 Lakhs.

### **(b) Salaries, Wages and Labor Cost**

In current year 2017-18, the Company has incurred Rs. 968.14 lakhs on salaries, wages and labour cost as against Rs. 776.66 lakhs in 2016-17.

### **(c) Transportation Cost**

The Company has dispatched 239353 MT of cement in the Year 2017-18 as compared to 207817 MT of cement in the previous financial year. The overall transportation cost had reduced to Rs. 3009.28 lakhs as compared to Rs. 3056.08 lakhs in the last year.

### **(d) Financial Costs**

During the year the Company had incurred Rs. 929.89 Lakhs in Interest & Financial Costs as compared to Rs. 541.34 Lakhs in the previous year 2016-17.

## **IV. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company adheres to the prescribed Accounting Standards for the purpose of preparation of Financial Statements . The financial statements have been prepared in accordance with Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Act and subsequent amendments thereof.

The financial statements are prepared on a going concern basis and are presented in Indian Rupees and all values are rounded off to the nearest million except when otherwise indicated. The financial statements have been prepared under the historical cost basis except for derivative financial instruments and certain other financial assets and liabilities that have been measured at fair value.

## **V. SEGMENTWISE PERFORMANCE(BASED ON CONSOLIDATED):**

The Company has discussed the performance of following segments:

| Name of Segment           | 2017-18                       |                                   | 2016-17                        |                                   |
|---------------------------|-------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
|                           | Segment Revenue(Rs. in Lakhs) | Segment Profit/Loss(Rs. in Lakhs) | Segment Revenue (Rs. in Lakhs) | Segment Profit/Loss (Rs.in Lakhs) |
| <b>Cement</b>             | 15178.64                      | 107.24                            | 12606.50                       | 69.04                             |
| <b>Power</b>              | -                             | (127.90)                          | -                              | (111.38)                          |
| <b>Unallocated/Others</b> | 771.33                        | (207.45)                          | 582.49                         | (230.70)                          |
| <b>Total</b>              | 15949.97                      | (228.11)                          | 13188.99                       | (273.04)                          |

During the year, the revenue and profit from Cement division have increased as compared to the previous year. The losses from Power division has increased by Rs. 16.52 Lakhs.

## **VI. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

Your Company has built up a strong and efficient internal control mechanism which is commensurate with the size of its business operations. It has laid down standard operating guidelines and processes which ensure smooth functioning of activities and zero ambiguity in the minds of people who actually execute the operations. Chief Financial Officer and Finance Heads are accountable for financial controls. They are fully responsible for accuracy of books of accounts, preparation of financial statements and reporting in line with the Company's accounting policies. BVCL has deployed a vigorous Internal Controls and Audit Mechanism to facilitate an accurate and fair presentation of its financial results. This process not just ensures adherence to regulatory standards and meets statutory compliance requirements, but also confirms that our reporting is complete, reliable and understandable. In addition, there is a specific impetus on safeguarding investor interests with deployment of the highest levels of governance and regular communication with them.

Further, Internal Audit functions is looked by Internal Audit department which reports to the Audit Committee of the Board. Internal Audit function works independently and evaluates the efficacy and adequacy of internal control system, its compliance with operating system and policies of the company and accounting procedure at all location, i.e. plant, marketing office & depots. Based on the input of internal audit report, designated process owner takes corrective actions in their respective area thereby strengthening controls and checks. In case any significant observations are noticed same is brought to the knowledge of members of audit committee for corrective actions.

## **VII. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your Company's human resources is the strong foundation for creating many possibilities for its business. Success of any organization depends upon the engagement and motivation levels of its employees. In Human Resources, our emphasis was to give autonomy to people at different levels and create a sense of ownership in order to unleash their potential. The Human Resources Division has played a significant role in achieving the overall business objectives by creating a common vision, building capability amongst people and more importantly, involve and engage employees in improvement programmes across the functions for achieving higher results.

The Company provides a culture of freedom for the employees where an employee is able to speak his / her mind for the organizational improvements. The Leaders conduct meetings to provide a platform to the team where they can share their concern and get solutions.

We believe in our home-grown talent and aim to develop the leaders within the organisation by imparting them the desired trainings, opportunities to work on various projects, assigning them tasks outside their routine work and relocating employees to various geographies etc.

The Company dignifies to state that no such strike or lock-out has ever took place, since inception of the Company which affirms in maintaining of absolute harmony in its work force. The total manpower strength of the Company as on 31<sup>st</sup> March, 2018 remains 229 (Two Hundred and Twenty Nine) with the considerably Minimal Labour Turnover, which is another indicator of effective management of the Company.

The Company places a strong emphasis on the work ethics in order to foster a healthy corporate culture in the Company. It has always believed in adhering to the best governance practices to ensure protection of its stakeholders' interests in tandem with healthy growth of the Company. With this belief, the Company has adopted a Code of Conduct which extends to all its Board Members and Senior Management personnel. Additionally, the Company has framed a policy which deals with Code of Conduct by all the employees across the levels, including its subsidiaries. The Code intends to forbid any activity / association / relationship by Directors / employees which is detrimental to the Company's interest..

During the year under review, there has not been any material changes in human resources and industrial relations.

### **VIII. CORPORATE SOCIAL RESPONSIBILITY**

The Company is a socially responsible corporate citizen committed to deliver a positive impact across social, economic and environmental parameters. The Company acknowledges its responsibility in the manner that its activities influence its consumers, employees and stake holders, as well as the environment. The Company seeks to achieve its corporate and social objectives by focusing on the following strategic areas:-

#### **a) Health Care Initiatives**

The Company has established its initiatives for “better health care” and in pursuance to which one Free Health Care Centre is set up at Debendra Nagar, Badarpur Ghat, Distt. Karimganj, Assam for the welfare of Local Community. Health Awareness programmes and other Health care activities like pulse polio Immunization programme, family planning programme, vaccination for child, provisions of safe drinking water, Yoga camp, Diabetic Camp are also being organized in this health care centre.

#### **b) Educational Initiatives**

Your company has been constantly providing assistance, support and has been bearing the maintenance expenses for the schools which were previously constructed the company and operating in the name of “Vivekananda Kendra Vidyalaya” in the view of the company to provide modern day schooling, students of Debendra Nagar, Badarpurghat, Assam. The Company has been sponsoring the students of this locality for education at V.K. V. School, Debendra Nagar with provided Furniture, Black Board etc.

#### **c) Environmental Initiatives**

The Company in view of the 'Mass Trees Plantation' motto has utilized the unused/waste lands lying in the area and taken up for plantation of various types of Trees through mutual understanding with landlords and have given a significant environmental impact.

Recognizing the importance of environment, the Company celebrated and planted more variety of trees with the collaboration of various organizations and forest department on 5<sup>th</sup> of June, 2015.

#### **d) Community Welfare Initiatives**

Under community welfare concerns the Company has undertaken various initiatives like:

- The Company is continuously repairing and maintaining the various waiting sheds constructed in the previous year for common mass people at Badarpurghat, Silchar and Ziribam.
- The Company is also bearing an expense incurred in maintaining the park constructed in the previous year at Valley Strong Island at Badarpurghat at tri-junction on NH-44 and NH-53.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements. These statements being based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand-supply conditions, finished goods prices, changes in Government regulations and tax regime etc. the Company assumes no responsibility to publicly, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

**For BARAK VALLEY CEMENTS LIMITED**

**Place: New Delhi**  
**Date: 13.08.2018**

**Bijay Kumar Garodia**  
**(Director)**  
**DIN: 00044379**  
**Add: CF-361, Salt Lake City**  
**Sector-I, Block CF-Ward No. 10,**  
**Bidhan Nagar, north Kolkata,**  
**West Bengal-700064**

**Kamakhya Chamaria**  
**(Vice Chairman & Managing Director)**  
**DIN : 00612581**  
**Add: 48/72, West Punjabi Bagh**  
**New Delhi-110026**

**Annexure B**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST March 2018**

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

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

To,  
The Members,  
**BARAK VALLEY CEMENTS LIMITED**

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

Based on our verification of the BARAK VALLEY CEMENTS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BARAK VALLEY CEMENTS LIMITED** ("the Company") for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The laws applicable specifically to the Company are as under:
  - 1. Factories Act, 1948;
  - 2. Industrial Dispute Act, 1947;
  - 3. The Payment of Wages Act, 1936;

## BARAK VALLEY CEMENTS LIMITED

4. The Minimum Wages Act, 1948;
5. Employees' State Insurance Act, 1948;
6. The Employees' Provident Fund and Misc. Provision Act, 1952;
7. The Payment of Bonus Act, 1965;
8. The Payment of Gratuity Act, 1972;
9. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
10. The Water (Prevention and Control of Pollution) Act, 1974;
11. The Air (Prevention and Control of Pollution) Act, 1981.
12. Petroleum Act, 1934
13. The Standards of Weights & Measures (Enforcement) Act, 1985

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock exchange;

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

We further report that –

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

**For Vidhi Chaudhary & Associates**

**Vidhi Chaudhary**  
**(Proprietor)**  
**ACS - 27685**  
**C.P. No.: 12014**

**Place : New Delhi**  
**Date : 13.08.2018**

**ANNEXURE - 1**

To,  
The Members,  
**BARAK VALLEY CEMENTS LIMITED**

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

**Management's Responsibility**

1. It is the Responsibility of the management of the Company to maintain secretarial records, device proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of event etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis.

**Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Vidhi Chaudhary & Associates**

**Vidhi Chaudhary**  
**(Proprietor)**  
**ACS - 27685**  
**C.P. No.: 12014**

**Place : New Delhi**  
**Date : 13.08.2018**

**ANNEXURE C**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2018**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|                                                                         |                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) CIN:-                                                                | <b>L01403AS1999PLC005741</b>                                                                                                                                                                                      |
| ii) Registration Date:-                                                 | <b>28/04/1999</b>                                                                                                                                                                                                 |
| iii) Name of the Company:-                                              | <b>Barak Valley Cements Limited</b>                                                                                                                                                                               |
| iv) Category/Sub-Category of the Company:-                              | <b>Company Limited by Shares / Indian Non-Government Company</b>                                                                                                                                                  |
| v) Address of the Registered office and contact details:-               | <b>202, Royal View, 2nd Floor, B.K. Kakoti Road, Ulubari, Guwahati, Assam-781007<br/>Ph. 0361-2464670/71 Email id: cs@barakcement.com"</b>                                                                        |
| vi) Whether listed company:-                                            | <b>Yes</b>                                                                                                                                                                                                        |
| vii) Name, Address and Contact details of Registrar and Transfer Agent: | <b>MCS Share Transfer Agent Limited<br/>F-65, 1st Floor, Okhla Industrial Area,<br/>Phase-1, New Delhi-110020<br/>Ph. 011-41406149<br/>Email id: helpdeskdelhi@mcsregistrars.com,<br/>admin@mcsregistrars.com</b> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sl. No. | Name and Description of main products/ services     | NIC Code of the Product/ service | % to total turnover of the company |
|---------|-----------------------------------------------------|----------------------------------|------------------------------------|
| 1       | Manufacturing of Cement & Clinker of Various Grades | 2394                             | 95.16                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

| Sl. No. | Name and Address of the Company                                                                                   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section                       |
|---------|-------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|------------------------------------------|
| 1       | Meghalaya Minerals & Mines Ltd.<br>Add: Village Lumshong, Dist Jantiahilss, lumshnog, Khileriat, Meghalaya-793200 | U14108ML2000PLC006057 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 2       | Badarpur Energy Pvt. Ltd.<br>Add: 202, Royal View , B.K. Kakoti Road, Ulubari guwahati, Assam-781007              | U40101AS2005PTC007654 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 3       | Cement International Ltd.<br>Add: Village Lumshong, Dist Jantia Hills, Meghalaya-793200                           | U26942ML2000PLC006173 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 4       | Goombira Tea Co. Ltd.<br>Add: 202, Royal View , B.K. Kakoti Road, Ulubari guwahati, Assam-781007                  | U01132AS1962PLC001188 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 5       | Chargola Tea Co. Pvt. Ltd.<br>Add: 202, Royal View , B.K. Kakoti Road, Ulubari guwahati, Assam-781007             | U01132AS1962PTC001185 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 6       | Singlacherra Tea Co. Pvt. Ltd.<br>Add: 202, Royal View , B.K. Kakoti Road, Ulubari guwahati, Assam-781007         | U01132AS1962PTC001187 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |
| 7       | Valley Strong Cements (Assam) Ltd.<br>Add: debendra Nagar, jhoombasti, P.O. badarpur Ghar, Badarpur Assam-788803  | U26940AS2009PLC009197 | Subsidiary                     | 100              | Section 2(87) of the Companies Act, 2013 |



**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**
**i) Category-wise Share Holding**

| Category of Shareholders                                                         | No. of Shares held at the beginning of the year |               |                 |                   | No. of Shares held at the end of the year |               |                 |                   | % Change during the year |
|----------------------------------------------------------------------------------|-------------------------------------------------|---------------|-----------------|-------------------|-------------------------------------------|---------------|-----------------|-------------------|--------------------------|
|                                                                                  | Demat                                           | Physical      | Total           | % of Total Shares | Demat                                     | Physical      | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>                                                              |                                                 |               |                 |                   |                                           |               |                 |                   |                          |
| <b>(1) Indian</b>                                                                |                                                 |               |                 |                   |                                           |               |                 |                   |                          |
| a) Individual / HUF                                                              | 11138568                                        | 622000        | 11760568        | 53.07             | 11312184                                  | 622000        | 11934184        | 53.85             | 0.78                     |
| b) Central Govt                                                                  | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| c) State Govt(s)                                                                 | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| d) Bodies Corp.                                                                  | 944318                                          | 0             | 944318          | 4.26              | 600000                                    | 0             | 600000          | 2.71              | (1.55)                   |
| e) Banks/FI                                                                      | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| f) Any Other...                                                                  | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| <b>Sub-total (A) (1):-</b>                                                       | <b>12082886</b>                                 | <b>622000</b> | <b>12704886</b> | <b>57.33</b>      | <b>11912184</b>                           | <b>622000</b> | <b>12534184</b> | <b>56.56</b>      | <b>(0.77)</b>            |
| <b>(2) Foreign</b>                                                               | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| a) NRIs - Individuals                                                            | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| b) Other - Individuals                                                           | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| c) Bodies Corporate                                                              | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| d) Banks/ FI                                                                     | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| e) Any Other...                                                                  | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| <b>Sub-total (A) (2):-</b>                                                       | <b>0</b>                                        | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                  | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>                      | <b>12082886</b>                                 | <b>622000</b> | <b>12704886</b> | <b>57.33</b>      | <b>11912184</b>                           | <b>622000</b> | <b>0</b>        | <b>56.56</b>      | <b>(0.77)</b>            |
| <b>B. Public Shareholding</b>                                                    |                                                 |               |                 |                   |                                           |               |                 |                   | 0                        |
| <b>1. Institutions</b>                                                           |                                                 |               |                 |                   |                                           |               |                 |                   | 0                        |
| a) Mutual Funds                                                                  | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| b) Banks/FI                                                                      | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| c) Central Govt                                                                  | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| d) State Govt(s)                                                                 | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| e) Venture Capital Funds                                                         | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| f) Insurance Companies                                                           | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| g) FIIs                                                                          | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| h) Foreign Venture Capital Funds                                                 | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| i) Others (specify)                                                              | 0                                               | 0             | 0               | 0                 | 3106                                      | 0             | 3106            | 0.01              | 0.01                     |
| <b>Sub-total (B)(1):-</b>                                                        | <b>0</b>                                        | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>3106</b>                               | <b>0</b>      | <b>3106</b>     | <b>0.01</b>       | <b>0.01</b>              |
| <b>2. Non-Institutions</b>                                                       |                                                 |               |                 |                   |                                           |               |                 |                   | 0                        |
| a) Bodies Corp.                                                                  |                                                 |               |                 |                   |                                           |               |                 |                   | 0                        |
| i) Indian                                                                        | 1721778                                         | 0             | 1721778         | 7.77              | 1655661                                   | 0             | 1655661         | 7.47              | (0.30)                   |
| ii) Overseas                                                                     | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| b) Individuals                                                                   |                                                 |               |                 |                   |                                           |               |                 |                   | 0                        |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh          | 2789175                                         | 6             | 2789181         | 12.59             | 2950644                                   | 6             | 2950650         | 13.32             | 0.73                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 4780353                                         | 50000         | 4830353         | 21.8              | 4871892                                   | 50000         | 4921892         | 22.22             | 0.42                     |
| c) Others (specify)                                                              | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| Non Resident Individual                                                          | 113802                                          | 0             | 113802          | 0.51              | 94507                                     | 0             | 94507           | 0.43              | (0.08)                   |
| <b>Sub-total (B)(2):-</b>                                                        | <b>9405108</b>                                  | <b>50006</b>  | <b>9455114</b>  | <b>42.67</b>      | <b>9572704</b>                            | <b>50006</b>  | <b>9622710</b>  | <b>43.42</b>      | <b>0.75</b>              |
| <b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>                          | <b>9405108</b>                                  | <b>50006</b>  | <b>9455114</b>  | <b>42.67</b>      | <b>9575810</b>                            | <b>50006</b>  | <b>9625816</b>  | <b>43.42</b>      | <b>0.75</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | 0                                               | 0             | 0               | 0                 | 0                                         | 0             | 0               | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>                                                       | <b>21487994</b>                                 | <b>672006</b> | <b>22160000</b> | <b>100</b>        | <b>21487994</b>                           | <b>672006</b> | <b>22160000</b> | <b>100</b>        | <b>0</b>                 |

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## (ii) Shareholding of Promoters and Promoters' Group

| Sl. No. | Shareholder's Name                                                     | Shareholding at the beginning of the year |                                  |                                                | Shareholding at the end of the year |                                  |                                                | % change in share holding during the year |
|---------|------------------------------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------------|
|         |                                                                        | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged/encumbered to total shares |                                           |
| 1       | Prahlad Rai Chamaria                                                   | 19,84,800                                 | 8.96                             | 0                                              | 19,84,800                           | 8.96                             | 0                                              | 0                                         |
| 2       | Bijay Kumar Garodia                                                    | 21,62,650                                 | 9.76                             | 0                                              | 21,62,650                           | 9.76                             | 0                                              | 0                                         |
| 3       | Santosh Kumar Bajaj                                                    | 18,84,500                                 | 8.50                             | 0                                              | 18,84,500                           | 8.50                             | 0                                              | 0                                         |
| 4       | Manju Goel                                                             | 1,70,340                                  | 0.77                             | 0                                              | 1,70,340                            | 0.77                             | 0                                              | 0                                         |
| 5       | Manish Kumar Bajaj                                                     | 1,95,000                                  | 0.88                             | 0                                              | 1,81,815                            | 0.82                             | 0                                              | -0.06                                     |
| 6       | Sarika Jalan                                                           | 1,500                                     | 0.01                             | 0                                              | 1,500                               | 0.01                             | 0                                              | 0                                         |
| 7       | Kailash Prasad Chamaria (Karta) for Gouri Shankar Kailash Prasad (HUF) | 2,34,500                                  | 1.06                             | 0                                              | 2,34,500                            | 1.06                             | 0                                              | 0                                         |
| 8       | Kailsh Prasad Chamaria                                                 | 2,50,000                                  | 1.13                             | 0                                              | 2,50,000                            | 1.13                             | 0                                              | 0                                         |
| 9       | Sushil Kumar Bajaj                                                     | 5,93,500                                  | 2.68                             | 0                                              | 5,93,500                            | 2.68                             | 0                                              | 0                                         |
| 10      | Rashmi Bajaj                                                           | 39,000                                    | 0.18                             | 0                                              | 39,000                              | 0.18                             | 0                                              | 0                                         |
| 11      | Bhagwati Devi Bajaj                                                    | 90,000                                    | 0.41                             | 0                                              | 80,000                              | 0.36                             | 0                                              | -0.05                                     |
| 12      | Sushil Kumar Bajaj (Karta) for Sushil Kumar Bajaj (HUF)                | 12,500                                    | 0.06                             | 0                                              | 12,500                              | 0.06                             | 0                                              | 0                                         |
| 13      | Purushottam Lal Bajaj (Karta) for Purushottam Lal Bajaj (HUF)          | 96,500                                    | 0.44                             | 0                                              | 96,500                              | 0.44                             | 0                                              | 0                                         |
| 14      | Santosh Kumar Bajaj (Karta) for S.K. Bajaj 7 others (HUF)              | 64,000                                    | 0.29                             | 0                                              | 64,000                              | 0.29                             | 0                                              | 0                                         |
| 15      | Ashish Kumar Bajaj                                                     | 1,41,500                                  | 0.64                             | 0                                              | 1,41,500                            | 0.64                             | 0                                              | 0                                         |
| 16      | Devashish Bajaj                                                        | 4,61,000                                  | 2.08                             | 0                                              | 4,61,000                            | 2.08                             | 0                                              | 0                                         |
| 17      | Yashita Bajaj                                                          | 1,00,000                                  | 0.45                             | 0                                              | 90,000                              | 0.41                             | 0                                              | -0.04                                     |
| 18      | Swati Bajaj                                                            | 1,00,000                                  | 0.45                             | 0                                              | 1,00,000                            | 0.45                             | 0                                              | 0                                         |
| 19      | Kamakhya Chamaria                                                      | 3,40,000                                  | 1.53                             | 0                                              | 3,40,000                            | 1.53                             | 0                                              | 0                                         |
| 20      | Ratna Chamaria                                                         | 2,40,000                                  | 1.08                             | 0                                              | 2,40,000                            | 1.08                             | 0                                              | 0                                         |
| 21      | Rajendra Chamaria (Karta) for Rajendra Udyog                           | 2,59,000                                  | 1.17                             | 0                                              | 2,59,000                            | 1.17                             | 0                                              | 0                                         |
| 22      | Kamakhya Chamaria (Karta) for Hardeo Das Kamakhya Prasad (HUF)         | 2,89,000                                  | 1.30                             | 0                                              | 2,89,000                            | 1.30                             | 0                                              | 0                                         |
| 23      | Prahlad Rai Chamaria (Karta) for G.S. Chamaria & Sons (HUF)            | 1,00,000                                  | 0.45                             | 0                                              | 1,00,000                            | 0.45                             | 0                                              | 0                                         |
| 24      | Prahlad Rai Chamaria (Karta) for Prahlad Rai Vinay Kumar (HUF)         | 39,000                                    | 0.18                             | 0                                              | 39,000                              | 0.18                             | 0                                              | 0                                         |
| 25      | Kiran Agarwal                                                          | 3,57,449                                  | 1.61                             | 0                                              | 3,57,449                            | 1.61                             | 0                                              | 0                                         |
| 26      | Mahendra Kumar Agarwal                                                 | 14,76,679                                 | 6.663                            | 0                                              | 14,75,680                           | 6.659                            | 0                                              | 0.004                                     |
| 27      | Bina Garodia                                                           | 7,000                                     | 0.03                             | 0                                              | 2,14,800                            | 0.97                             | 0                                              | 0.94                                      |
| 28      | Nishant Garodia                                                        | 10,000                                    | 0.05                             | 0                                              | 10,000                              | 0.05                             | 0                                              | 0                                         |
| 29      | Aristo Building Materials Pvt. Ltd.                                    | 1,00,000                                  | 0.45                             | 0                                              | 1,00,000                            | 0.45                             | 0                                              | 0                                         |
| 30      | Om Infracon Pvt. Ltd.                                                  | 8,44,318                                  | 3.81                             | 0                                              | 5,00,000                            | 2.26                             | 0                                              | -1.55                                     |
| 31      | Sushil Kumar Goel (Karta) for S.K. Goel & Sons (HUF)                   | 61,150                                    | 0.28                             | 0                                              | 61,150                              | 0.28                             | 0                                              | 0                                         |
|         | Total                                                                  | 1,27,04,886                               | 57.33                            | 0                                              | 1,25,34,184                         | 56.56                            | 0                                              | (0.41)                                    |

**(iii) Change in Promoters' Shareholding (please specify ,if there is no change)**

| Sl. No.  | Particulars                                                                                                                                                              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|          |                                                                                                                                                                          | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1</b> | <b>Prahlad Rai Chamaria</b>                                                                                                                                              |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                             |                                           |                                  |                                         |                                  |
|          | Datewise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                                   |                                           |                                  |                                         |                                  |
| <b>2</b> | <b>Bijay Kumar Garodia</b>                                                                                                                                               |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                             |                                           |                                  |                                         |                                  |
|          | Datewise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                                   |                                           |                                  |                                         |                                  |
| <b>3</b> | <b>Santosh Kumar Bajaj</b>                                                                                                                                               |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                             |                                           |                                  |                                         |                                  |
|          | Datewise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                                   |                                           |                                  |                                         |                                  |

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

| Sl. No.  | Particulars                                                                                                                                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|          |                                                                                                                                                               | No.of shares                              | % of total shares of the company | No.of shares                            | % of total shares of the company |
|          | <b>For Each of the Top 10 Shareholders</b>                                                                                                                    |                                           |                                  |                                         |                                  |
| <b>1</b> | <b>Laxmi Chamaria</b>                                                                                                                                         |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 2,91,700                                  | 1.32                             | 2,91,700                                | 1.32                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                           |                                  | 2,91,700                                | 1.32                             |
| <b>2</b> | <b>Rahul Chamaria</b>                                                                                                                                         |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 2,87,500                                  | 1.30                             | 2,87,500                                | 1.30                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                           |                                  | 2,87,500                                | 1.30                             |

## BARAK VALLEY CEMENTS LIMITED

|           |                                                                                                                                                               |                                                                                                                |      |          |      |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|----------|------|
| <b>3</b>  | <b>Sindhu Dealer Private Limited</b>                                                                                                                          |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,79,000                                                                                                       | 1.26 | 2,79,000 | 1.26 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,79,000 | 1.26 |
| <b>4</b>  | <b>Neelachal Marketing Private Limited</b>                                                                                                                    |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,60,951                                                                                                       | 1.18 | 2,60,951 | 1.18 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,60,951 | 1.18 |
| <b>5</b>  | <b>Gayatri Chamaria</b>                                                                                                                                       |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,47,900                                                                                                       | 1.12 | 2,47,900 | 1.12 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,47,900 | 1.12 |
| <b>6</b>  | <b>Amritansh Chamaria</b>                                                                                                                                     |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,43,200                                                                                                       | 1.10 | 2,43,200 | 1.10 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,43,200 | 1.10 |
| <b>7</b>  | <b>Nikhil Kumar Bajaj</b>                                                                                                                                     |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,40,000                                                                                                       | 1.08 | 2,39,524 | 1.08 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | During the year there was Decrease in the shareholding on account of the Sale of 476 Shares i.e. on 20.10.2017 |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,39,524 | 1.08 |
| <b>8</b>  | <b>Sachin Chamaria</b>                                                                                                                                        |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,27,800                                                                                                       | 1.03 | 2,27,800 | 1.03 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,27,800 | 1.03 |
| <b>9</b>  | <b>Rohit Todi</b>                                                                                                                                             |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 2,19,551                                                                                                       | 0.99 | 2,19,551 | 0.99 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                                              |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,19,551 | 0.99 |
| <b>10</b> | <b>Bina Garodia</b>                                                                                                                                           |                                                                                                                |      |          |      |
|           | At the beginning of the year                                                                                                                                  | 7,000                                                                                                          | 0.03 | 2,14,800 | 0.94 |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | During the year there was Increase in the shareholding on account of Purchase of shares on 19.01.2018.         |      |          |      |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                           |                                                                                                                |      | 2,14,800 | 0.94 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No.  | Particulars                                                                                                                                                   | Shareholding at the beginning of the year                                                |                                  | Cumulative Shareholding during the year |                                  |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|          |                                                                                                                                                               | No. of shares                                                                            | % of total shares of the company | No. of shares                           | % of total shares of the company |
|          | <b>For Each of the Directors and KMP</b>                                                                                                                      |                                                                                          |                                  |                                         |                                  |
| <b>1</b> | <b>Mr. Prahlad Rai Chamaria</b>                                                                                                                               |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 19,84,800                                                                                | 8.96                             | 19,84,800                               | 8.96                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 19,84,800                               | 8.96                             |
| <b>2</b> | <b>Mr. Mahendra Kumar Agarwal</b>                                                                                                                             |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 14,76,679                                                                                | 6.663                            | 14,75,680                               | 6.659                            |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | During the year there was Decrease in the shareholding on account of Sale of 999 Shares. |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 14,75,680                               | 6.659                            |
| <b>3</b> | <b>Mr. Bijay Kumar Garodia</b>                                                                                                                                |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 21,62,650                                                                                | 9.76                             | 21,62,650                               | 9.76                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 21,62,650                               | 9.76                             |
| <b>4</b> | <b>Mr. Santosh Kumar Bajaj</b>                                                                                                                                |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 18,84,500                                                                                | 8.50                             | 18,84,500                               | 8.50                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 18,84,500                               | 8.50                             |
| <b>5</b> | <b>Mr. Brahm Prakash Bakshi</b>                                                                                                                               |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 0                                                                                        | 0                                | 0                                       | 0                                |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 0                                       | 0                                |
| <b>6</b> | <b>Mr. Dhanpat Ram Agarwal</b>                                                                                                                                |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 0                                                                                        | 0                                | 0                                       | 0                                |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 0                                       | 0                                |
| <b>7</b> | <b>Mr. Kamakhya Chamaria</b>                                                                                                                                  |                                                                                          |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                  | 3,40,000                                                                                 | 1.53                             | 3,40,000                                | 1.53                             |
|          | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18                                                        |                                  |                                         |                                  |
|          | At the End of the year                                                                                                                                        |                                                                                          |                                  | 3,40,000                                | 1.53                             |

| Sl. No.   | Particulars                                                                                                                                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|           |                                                                                                                                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|           | <b>For Each of the Directors and KMP</b>                                                                                                                      |                                           |                                  |                                         |                                  |
| <b>8</b>  | <b>Mr. Ramesh Chandra Bajaj</b>                                                                                                                               |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | 0                                         | 0                                | 0                                       | 0                                |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | 0                                       | 0                                |
| <b>9</b>  | <b>Mr. Vishal More</b>                                                                                                                                        |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | -                                         | 0                                | -                                       | 0                                |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | -                                       | 0                                |
| <b>10</b> | <b>Mrs. Renu Kejriwal</b>                                                                                                                                     |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | 150                                       | 0.00                             | 150                                     | 0.00                             |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | 150                                     | 0.00                             |
| <b>11</b> | <b>Mr. Sushil Kumar Kothari (Resigned w.e.f. 26.02.2018)</b>                                                                                                  |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | 0                                         | 0.00                             | 600                                     | 0.00                             |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | 0                                       | 0.00                             |
| <b>12</b> | <b>Mr. Mukesh Kumar Shovasaria</b>                                                                                                                            |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | 3,459                                     | 0.02                             | 3,459                                   | 0.02                             |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | 3,459                                   | 0.02                             |
| <b>13</b> | <b>Ms. Saakshi Manchanda (till 05.07.2018)</b>                                                                                                                |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                  | 0                                         | 0                                | 0                                       | 0                                |
|           | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No change during the year 2017-18         |                                  |                                         |                                  |
|           | At the End of the year                                                                                                                                        |                                           |                                  | 0                                       | 0                                |

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding /accrued but not due for payment**

**(In lakhs)**

|                                                            | <b>Secured Loans<br/>excluding deposits</b> | <b>Unsecured<br/>Loans</b> | <b>Deposits</b> | <b>Total<br/>Indebtedness</b> |
|------------------------------------------------------------|---------------------------------------------|----------------------------|-----------------|-------------------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                             |                            |                 |                               |
| i) Principal Amount                                        | 3560.97                                     | 2400.93                    | 0               | 5961.90                       |
| ii) Interest due but not paid                              | 0.04                                        | -                          | 0               | 0.04                          |
| iii) Interest accrued but not due                          | 28.66                                       | -                          | 0               | 28.66                         |
| <b>Total (i+ii+iii)</b>                                    | <b>3589.67</b>                              | <b>2400.93</b>             | <b>0</b>        | <b>5990.60</b>                |
| <b>Change in Indebtedness during the financial year</b>    |                                             |                            |                 |                               |
| · Addition                                                 |                                             | 655.16                     | 0               | 655.16                        |
| · Reduction                                                | (129.48)                                    |                            |                 | (129.48)                      |
| <b>Net Change</b>                                          | <b>(129.48)</b>                             | <b>655.16</b>              | <b>0</b>        | <b>525.68</b>                 |
| <b>Indebtedness at the end of the financial year</b>       |                                             |                            |                 |                               |
| i) Principal Amount                                        | 3450.21                                     | 3056.09                    | 0               | 6506.03                       |
| ii) Interest due but not paid                              | 9.98                                        |                            | 0               | 9.98                          |
| iii) Interest accrued but not due                          | -                                           |                            | 0               |                               |
| <b>Total (i+ii+iii)</b>                                    | <b>3460.19</b>                              | <b>3056.09</b>             | <b>0</b>        | <b>6516.28</b>                |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration                                                         | Name of MD / WTD/ Manager                                                       |                                    |                                    | Total Amount (In lakhs) |
|---------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------|------------------------------------|-------------------------|
|         |                                                                                     | <b>Kamakhya<br/>Chamaria</b>                                                    | <b>Bijay<br/>Kumar<br/>Garodia</b> | <b>Santosh<br/>Kumar<br/>Bajaj</b> |                         |
|         | <b>Designation</b>                                                                  | <b>MD</b>                                                                       | <b>WTD*</b>                        | <b>WTD</b>                         |                         |
| 1       | Gross salary                                                                        |                                                                                 |                                    |                                    |                         |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24.00                                                                           | -                                  | -                                  | 24.00                   |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                                                                 |                                    |                                    |                         |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                                                                                 |                                    |                                    |                         |
| 2       | Stock Option                                                                        | -                                                                               | -                                  | -                                  | -                       |
| 3       | Sweat Equity                                                                        | -                                                                               | -                                  | -                                  | -                       |
| 4       | Commission                                                                          |                                                                                 |                                    |                                    |                         |
|         | - as % of profit                                                                    | -                                                                               | -                                  | -                                  | -                       |
|         | - others, specify...                                                                | -                                                                               | -                                  | -                                  | -                       |
| 5       | Others, please specify                                                              | -                                                                               | -                                  | -                                  | -                       |
|         | <b>Total (A)</b>                                                                    | <b>24.00</b>                                                                    | <b>-</b>                           | <b>-</b>                           | <b>24.00</b>            |
|         | Ceiling as per the Act**                                                            | 10% of the Net profit, calculated as per Section 198 of the Companies Act, 2013 |                                    |                                    |                         |

\*Tenure as Whole Time Director expired on 30.05.2017 continue to act as Non Executive Director

\*\*Tenure as Whole Time Director expired on 30.09.2017 continue to act as Director

\*\*\*Rs.24 Lacs p.a. as per agreement dated 30.09.2014.

# BARAK VALLEY CEMENTS LIMITED

## B. Remuneration to other directors:

| Sl. No.  | Particulars of Remuneration                   | Name of Directors                                                              |                      |                      |               |                      | Total Amount |
|----------|-----------------------------------------------|--------------------------------------------------------------------------------|----------------------|----------------------|---------------|----------------------|--------------|
|          |                                               | Vishal More                                                                    | Dhanpat Ram Agarwal  | Ramesh Chandra Bajaj | Renu Kejriwal | Brahm Prakash Bakshi |              |
| <b>1</b> | Independent Directors                         |                                                                                |                      |                      |               |                      |              |
|          | ·Fee for attending board / committee meetings | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | ·Commission                                   | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | ·Others, please specify                       | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | <b>Total (1)</b>                              | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          |                                               |                                                                                |                      |                      |               |                      |              |
| <b>2</b> | Other Non-Executive Directors                 | Mahendra Kumar Agarwal                                                         | Prahlad Rai Chamaria |                      |               |                      |              |
|          | ·Fee for attending board / committee meetings | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | ·Commission                                   | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | ·Others, please specify                       | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | Total (2)                                     | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | <b>Total (B) = (1+2)</b>                      | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | Total Managerial Remuneration                 | 0                                                                              | 0                    | 0                    | 0             | 0                    | 0            |
|          | Overall Ceiling as per the Act                | 1% of the Net Profit, calculated as per Section 198 of the Companies Act, 2013 |                      |                      |               |                      |              |

## C. Remuneration to Key Managerial Personnel (other than MD/ Manager/ WTD)

(In lakhs)

| Sl. No. | Particulars of Remuneration                                                         | Key Managerial Personnel          |                    |                           |                          | Total        |
|---------|-------------------------------------------------------------------------------------|-----------------------------------|--------------------|---------------------------|--------------------------|--------------|
|         |                                                                                     | Kamakhya Chamaria                 | Saakshi Manchanda  | Sushil Kumar Kothari      | Mukesh Kumar Shovasaria  |              |
|         | <b>Designation</b>                                                                  | Vice Chairman & Managing Director | Company Secretary* | Chief Financial Officer** | Chief Executive officer* |              |
| 1       | Gross salary                                                                        |                                   |                    |                           |                          |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24.00                             | 2.98               | -                         | 20.28                    | 47.26        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                                 | -                  | -                         | -                        | -            |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                                 | -                  | -                         | -                        | -            |
| 2       | Stock Option                                                                        | -                                 | -                  | -                         | -                        | -            |
| 3       | Sweat Equity                                                                        | -                                 | -                  | -                         | -                        | -            |
| 4       | Commission                                                                          |                                   |                    |                           |                          |              |
|         | - as % of profit                                                                    | -                                 | -                  | -                         | -                        | -            |
|         | - others, specify...                                                                | -                                 | -                  | -                         | -                        | -            |
| 5       | Others, please specify                                                              | -                                 | -                  | -                         | -                        | -            |
|         | <b>Total</b>                                                                        | <b>24.00</b>                      | <b>2.98</b>        | <b>-</b>                  | <b>20.28</b>             | <b>47.26</b> |

\*Served as Company Secretary upto July 04, 2018

\*\*Ceased to be Chief Financial Officer w.e.f. February 26, 2018

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no Penalties/punishments/compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.



**Annexure D**

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

**[PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014]**

**A) CONSERVATION OF ENERGY-**

**a) The Steps taken or Impact on Conservation of Energy-**

- (i) M/s. Frigate has been called to upgrade the Kiln Feed Elevator to increase the capacity from 50 T/Hr. to 65 T/Hr. this would reduce the Power Consumption per ton of Feed.
- (ii) Raw Mill 2 Elevator Capacity increased by modifying the Bucket, capacity increased from 8 T/Hr. to 12 T/Hr.
- (iii) 1<sup>st</sup> Chamber of Cooler provided with Horse Shoe to increase the Grindability & Strength of Clinkers.
- (iv) Gas Entry in Preheater Cyclones have been provided with directional louvers for better efficiency and to reduce dust loading in Preheater Exhaust and better precipitation.

**b) The Steps taken by the Company for Utilizing Alternate Sources of Energy-**

- (i) Use of Saw Dust in place of Coal.
- (ii) Use of Tyre Dust in place of Coal.
- (iii) Use of Waste Heat in Drying the Coal, Lime Stone and Clay.

**c) The Capital Investment on Energy Conservation Equipments provided in the sub-point (a) of the above- is Rs. 164.05 lacs.**

**B) TECHNOLOGY ABSORPTION-**

**(i) The efforts made towards technology absorption-**

**Researches and Development (R&D)** –Pulverized Coal Firing and Saw Dust Firing together from separate line.

- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** Saving in coal and power by 50 Kcal/Kg. of Clinker and 10 KWH in Total.
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished: NIL.**
- (iv) **The expenditure incurred on Research and Development is 0.22 Lakhs.**

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO-**

Due to demand supply gap in North Eastern areas, the Company is able to sell its entire production in the domestic market itself. Hence, the Company is not engaged in any relating to import or export.

**Annexure E**
**STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**
**(A) Information as per Rule 5(1) of the Chapter XIII, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**
**(i) The Ratio of Remuneration of each Director to the Median of Remuneration of Employee and percentage increase in remuneration of the Directors and Key managerial Personnel of the Company for the Financial Year stood as:**

| Name of Director & Key Managerial Personnel | Designation                       | Percentage increase in Remuneration | Ratio to median remuneration |
|---------------------------------------------|-----------------------------------|-------------------------------------|------------------------------|
| Mr. Kamakhya Chamaria                       | Vice Chairman & Managing Director | NIL                                 | 16.6:1                       |
| Mr. Bijay Kumar Garodia                     | Director*                         | NIL                                 | N.A.                         |
| Mr. Santosh Kumar Bajaj                     | Director**                        | NIL                                 | N.A.                         |
| Mr. Mahendra Kumar Agarwal                  | Director                          | NIL                                 | N.A.                         |
| Mr. Prahlad Rai Chamaria                    | Director                          | NIL                                 | N.A.                         |
| Mr. Dhanpat Ram Agarwal                     | Director                          | N.A.                                | N.A.                         |
| Mr. Ramesh Chandra Bajaj                    | Director                          | N.A.                                | N.A.                         |
| Mr. Brahm Prakash Bakshi                    | Director                          | N.A.                                | N.A.                         |
| Mrs. Renu Kejriwal                          | Director                          | N.A.                                | N.A.                         |
| Mr. Vishal More                             | Director                          | N.A.                                | N.A.                         |
| Mr. Sushil Kumar Kothari (Upto 26.02.2018)  | Chief Financial Officer***        | NIL                                 | N.A.                         |
| Mr. Mukesh Kumar Shovasaria                 | Chief Executive Officer           | 22.05%                              | -                            |
| Ms. Saakshi Manchanda                       | Company Secretary****             | NIL                                 | -                            |

\* Tenure as Chairman & Non Executive Director expired on December 14, 2017 will continue to act as a Director.

\*\* Tenure as Whole Time Director expired on September 30, 2017 will continue to act as a Director.

\*\*\* Resigned with effect from February 26, 2018

\*\*\*\* Since the information is for part of the year, the same is not comparable.

**(ii). Percentage Increase in the Median Remuneration of Employees in the Financial Year is 11.31%.**
**(iii). Number of Permanent Employees on the roll of the Company during the Financial Year 2017-18 is 237.**
**(iv). Average Percentile Increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:**

The Average percentile increase in the salaries of non-managerial employees in the Financial year 2017-18 was 17.90%, while the average percentile increase in the managerial Remuneration was NIL.

**(B) Statement of Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of managerial) Rules, 2014:**

NIL. As, no employee of the Company is in receipt of remuneration beyond the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of managerial) Rules, 2014.

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is given below:

### **Company's Philosophy on Corporate Governance**

Corporate Governance is all about how a Company is managed and the role and relationship between a Company and its stakeholders. It entails conducting business in a fair, transparent and ethical manner, promoting sustainable development and enhancing stakeholder value.

At Barak Valley Cements, we view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management Level. Corporate Governance is the creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes. At Barak Valley Cements Limited, it is imperative that our Company's affairs are managed in a fair and transparent manner.

Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed. Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 sub-regulation (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance. In terms of the Listing Regulations, the details of compliance are as follows:

### **I. BOARD OF DIRECTORS**

#### **• Composition**

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and also direct, supervise and control the performance of the Company. The Company is in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, "SEBI LODR") and the Companies Act, 2013 with respect to Composition of Board.

As on March 31, 2018, Board of Directors of the Company comprises of an optimum combination of Executive and Non Executive Directors. The Board consist of 10 (ten) directors out of which 5 (five) are independent (including one Women director) and 5 (five) are non-independent directors (including three promoter directors). As on the aforesaid date, the Company has 8 (eight) non-executive directors and 2 (two) executive director. None of the Directors is a director in more than 20 companies (including 10 public companies) and member of more than 10 committees or act as Chairman of more than 5 committees across all the companies in which they are Directors. Detailed profile of our Directors is available on our website: [www.barakcement.com](http://www.barakcement.com). None of the Non Executive Directors serve as Independent Director in over seven listed companies and none of the Executive Director or Whole-time Directors serve as Independent Director on any listed company.

All the Independent directors have confirmed that they meet the independence criteria as mentioned under regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149 of Companies Act, 2013. All the directors have made necessary disclosures about their directorships and the committee positions held by them in other companies in the financial year 2017-18. Following is the list of Directors of the Company showing details of their inter-se relations:

| S. No. | Name of Director         | Category                                             | Inter-se Relationship amongst Directors     | Designation                       |
|--------|--------------------------|------------------------------------------------------|---------------------------------------------|-----------------------------------|
| 1      | Mr. Kamakhya Chamaria    | Executive and Non-Independent Director               | Brother of Mr. Prahlad Rai Chamaria         | Vice Chairman & Managing Director |
| 2      | Mr. Bijay Kumar Garodia# | Promoter, Non-Executive and Non-Independent Director | Brother of Mr. Mahendra Kumar Agarwal' wife | Director                          |

|    |                            |                                                      |                                           |          |
|----|----------------------------|------------------------------------------------------|-------------------------------------------|----------|
| 3  | Mr. Prahlad Rai Chamaria   | Promoter, Non-Executive and Non-Independent Director | Brother of Mr. Kamakhya Chamaria          | Director |
| 4  | Mr. Mahendra Kumar Agarwal | Non-Executive and Non-Independent Director           | Brother-in-law of Mr. Bijay Kumar Garodia | Director |
| 5  | Mr. Santosh Kumar Bajaj*   | Promoter, Executive and Non-Independent Director     | Nil                                       | Director |
| 6  | Mr. Brahm Prakash Bakshi   | Independent, Non-Executive Director                  | Nil                                       | Director |
| 7  | Mr. Dhanpat Ram Agarwal    | Independent, Non-Executive Director                  | Nil                                       | Director |
| 8  | Mr. Ramesh Chandra Bajaj   | Independent, Non-Executive Director                  | Nil                                       | Director |
| 9  | Mr. Vishal More            | Independent, Non-Executive Director                  | Nil                                       | Director |
| 10 | Mrs. Renu Kejriwal         | Independent, Non-Executive Director                  | Nil                                       | Director |

Notes:

# Tendered his resignation as Chairman from Board of Directors w.e.f. 14.12.2017 and continue as the Non-Executive Director of the Company.

\* Change in designation from Whole time Director to Promoter Director w.e.f. 30.09.2017

The dates for the Board meetings are fixed after taking into account the convenience of all the directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the directors at least seven days in advance from the date of Board Meeting and Committee meetings. All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the company on all its decisions periodically.

The names of the directors on the Board, their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2018 are given herein below. Other directorships do not include alternate directorships (if any), directorships of private limited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013. In terms of regulation 26 of SEBI LODR, only Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Barak valley Cements Limited) have been considered.

| S. No | Name of Director           | Attendance | Details of Directorships in other public companies | No. of Committee position held in other Public Companies |          |        |
|-------|----------------------------|------------|----------------------------------------------------|----------------------------------------------------------|----------|--------|
|       |                            |            |                                                    | Member                                                   | Chairman | Member |
| 1     | Mr. Bijay Kumar Garodia    | 3/5        | Yes                                                | 1                                                        | Nil      | Nil    |
| 2     | Mr. Kamakhya Chamaria      | 5/5        | Yes                                                | 2                                                        | Nil      | Nil    |
| 3     | Mr. Mahendra Kumar Agarwal | 5/5        | Yes                                                | 8                                                        | 2        | 2      |

|    |                          |     |     |     |     |     |
|----|--------------------------|-----|-----|-----|-----|-----|
| 4  | Mr. Santosh Kumar Bajaj  | 5/5 | Yes | 1   | Nil | Nil |
| 5  | Mr. Prahlad Rai Chamaria | 5/5 | Yes | 5   | Nil | Nil |
| 6  | Mr. Brahm Prakash Bakshi | 2/5 | No  | 1   | Nil | Nil |
| 7  | Mr. Dhanpat Ram Agarwal  | 2/5 | No  | 3   | 3   | 3   |
| 8  | Mr. Ramesh Chandra Bajaj | 5/5 | Yes | Nil | Nil | Nil |
| 9  | Mr. Vishal More          | 5/5 | Yes | Nil | Nil | Nil |
| 10 | Mrs. Renu Kejriwal       | 4/5 | Yes | Nil | Nil | Nil |

• **Number and dates of Board meetings held during the financial year ended March 31, 2018**

During the Financial year 2017-18, our Board has met 5 (five) times and the Meetings of our Board of Directors were held on 30<sup>th</sup> May, 2017, 23<sup>rd</sup> August, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017 and 14<sup>th</sup> February, 2018 to transact various businesses. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under section 173 of Companies Act, 2013 and regulation 17 of the SEBI LODR and Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum four Board meetings is required to be held every year (one meeting in every calendar quarter). The Company has convened additional Board meetings to address specific needs of the company.

• **Non-Executive Directors' compensation and disclosures**

Sitting fees/commission paid to the Non-Executive Directors and Independent Directors are Recommended by the Nomination and Remuneration Committee of the Board of Directors and approved by the Board of Directors and shareholders. The details of sitting fees/commission paid to the Non-Executive Directors and Independent Directors are given separately in this Report.

• **Number of shares and convertible instruments held by non- executive directors**

The following directors of the Company are holding equity share in the Company.

| Name                       | Category                                             | No. of Equity share |
|----------------------------|------------------------------------------------------|---------------------|
| Mr. Brahm Prakash Bakshi   | Independent and Non-Executive Director               | Nil                 |
| Mr. Dhanpat Ram Agarwal    | Independent and Non-Executive Director               | Nil                 |
| Mr. Ramesh Chandra Bajaj   | Independent and Non-Executive Director               | Nil                 |
| Mr. Vishal More            | Independent and Non-Executive Director               | Nil                 |
| Mrs. Renu Kejriwal         | Independent, Non-Executive Director                  | 150                 |
| Mr. Prahlad Rai Chamaria   | Promoter, Non-Executive and Non-Independent Director | 19,84,800           |
| Mr. Mahendra Kumar Agarwal | Non-Executive and Non-Independent Director           | 14,75,680           |
| Mr. Bijay Kumar Garodia    | Promoter, Non-Executive and Non-Independent Director | 21,62,650           |

As on March 31, 2018, none of the Non-Executive Directors of the Company are holding any convertible instruments of the company.

- ***Performance evaluation of Board***

One of the main functions of the Board is to periodically review and evaluate the performance and contribution of the members of the Board. An effective performance evaluation contributes to evaluating performance based on three parameters: at an organizational level, board as a whole and at an individual level. Board evaluation helps identify barriers and impediments that hinder effective board practices and flow of information across various levels. The Nomination and Remuneration Committee of the Board of directors of the Company has laid down a proficient evaluation plan in the form of following parameters / criteria for evaluating the performance:

- i. Participation and contribution by a Director;
- ii. Commitment (including guidance provided to senior management outside of Board / Committee meetings);
- iii. Effective deployment of knowledge and expertise;
- iv. Effective management of relationship with stakeholders;
- v. Integrity and maintenance of confidentiality;
- vi. Independence of behaviour and judgment;
- vii. Observance of Code of Conduct and
- viii. Impact and influence.

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board and that of its various committees was carried out by the Board in the light of parameters such as composition of the Board and Committees, participation and contribution to the long term strategic planning, experience and competencies, performance of the duties and obligations and governance issues and improvisation in board effectiveness. Performance evaluation of each and every director was also carried out individually in the light of the above said criteria. The process of evaluation was also carried out by the members of the Nomination and Remuneration Committee to evaluate the performance of each director, as per the structured mechanism based on the set parameters laid down by the Committee. An evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated) based on the criteria set. Evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their meeting specially convened for this purpose.

- ***Separate Meeting of Independent Directors***

An Independent Directors meeting in accordance with the provisions of section 149(8) read with schedule IV of the Companies Act, 2013, Secretarial Standards -I as issued by Institute of Company Secretaries of India and Regulation 25(3) and 25(4) of the SEBI LODR was convened on March 20, 2018 to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and are being implemented.

- ***Code of Conduct***

The Company has adopted the Code of conduct as per regulation 17(5) of the SEBI LODR and is applicable to all its Board members and senior management personnel of the company. The Code of Conduct also lays down the duties of Independent Directors as per Companies Act, 2013. Pursuant to regulation 26(5) of the SEBI LODR, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the company at large. Pursuant to regulation 26(3) of the SEBI LODR, all the Board members and senior management of the Company as on March 31, 2018 have affirmed compliance with their respective codes of conduct. A declaration to that effect signed by the CEO is attached and forms part of the Annual Report of the Company. The Copy of code of conduct is also available on the website of the Company [www.barakcement.com](http://www.barakcement.com)

- ***Induction and Familiarization programme for independent directors***

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc. The Independent Directors are familiarized with Company's business and its operations. Interactions are held between the Directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company. They are periodically updated on the industry scenario, changes in regulatory framework and the impact thereof on the working of your Company. In order to familiarize Independent Directors

with the Company the Company has framed a Familiarization programme for Independent Directors. The Familiarization programme is also uploaded on the Company's website at the following link

<http://www.barakcement.com/PDF/Company%20Policies/FAMILIARIZATION%20PROGRAM%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

- ***Prevention of Insider Trading***

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company ("the Insider Code"). The Insider Code aims at preserving and preventing misuse of unpublished price sensitive information. All Directors, Designated Employees and Connected Persons of your Company are covered under the Insider Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of the Company by the Directors, Designated Employees and Connected Persons of your Company.

- ***Resume of Directors proposed to be re-appointed***

The brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice convening the Annual General Meeting.

- ***Other Provisions***

The Board periodically reviews the compliance reports of all laws applicable to the Company as well as steps taken by the Company which ensures their timely and adequate compliances.

## **II. COMMITTEES OF THE BOARD**

In order to carry out the responsibilities & decision making more smoothly and in prudent manner the Board has formed various committees which are headed and constituted by various learned members of the Board having expertise and reservoir of experience in their respective fields such as finance, legal, accounts, marketing, etc.

The decisions and recommendations of the Committees are placed before the Board for information or approval. Currently, the company has 6 (six) Committees of Board, namely:

- Audit Committee
- Sub-Audit Committee
- Nomination and Remuneration Committee
- Share Transfer Committee
- Stakeholder's Relationship Committee
- General Purpose Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### **A. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013, regulation 18 of the SEBI LODR. The Committee comprises of 4 (four) Directors, out of which 3 (three) are Independent Directors and 1 (one) is Executive and Non-Independent Director, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. Vishal More, Chairman of the Committee is Masters in Economics and credential holder of Chartered Financial Analyst from the CFA Institute, USA and proficient in accounting and financial management. The quorum of the Committee is two members or one-third of its members, whichever is higher.

• **Meetings**

During the Financial year 2017-18 the Audit Committee met 5 (Five) times on 30<sup>th</sup> May, 2017, 23<sup>rd</sup> August, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017, and 14<sup>th</sup> February, 2018.

**The Composition of the Audit Committee and the details of meetings attended by its members are given below:**

| Sl. No. | Name of the Member       | Designation in Committee | Category                               | Attendance |
|---------|--------------------------|--------------------------|----------------------------------------|------------|
| 1       | Mr. Vishal More          | Chairman                 | Independent and Non-Executive Director | 5/5        |
| 2       | Mr. Brahm Prakash Bakshi | Member                   | Independent and Non-Executive Director | 3/5        |
| 3       | Mr. Ramesh Chandra Bajaj | Member                   | Independent and Non-Executive Director | 3/5        |
| 4       | Mr. Kamakhya Chamaria    | Member                   | Non-Independent and Executive Director | 4/5        |

Notes:

- The Company Secretary of the Company acts as the Secretary of the Committee.
- The Statutory and Internal Auditors of your Company attend the Audit Committee meetings.
- The time gap between the two meetings doesn't exceed by more than one hundred and twenty days, and have an adequate quorum in every meeting.
- The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries of the Shareholders.
- The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company, oversight of your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.
- Audit Committee meetings are attended by the Chief Executive Officer, Chief Financial Officer of the Company.

• **Terms of Reference**

The Role of the Audit Committee are as defined under the relevant provisions of the Companies Act, 2013, and Regulation 18(3) of the Listing Regulation with stock exchanges is as follows:

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactionsg) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;



6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of your company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

***The Audit Committee reviews the following information:***

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor;
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

• **Sub-Audit Committee**

The Board has also set up a Sub-Audit Committee on 15<sup>th</sup> May, 2009 in order to strengthen the Internal Audit procedure by keenly observing and implementing the findings & comments of the Internal Auditors of the Company and reporting the same to the Audit Committee.

The committee consists of following executives of the Company:

1. Mr. S.K.P Dalmia
2. Mr. Shishir Bajoria
3. Mr. Rajesh Aggarwal

**B. NOMINATION & REMUNERATION COMMITTEE**

The Committee oversees key processes through which the Company recruits new members to its Board, and also the processes through which the Company recruits, motivates and retain outstanding senior management and oversees the Company's overall approach to human resources management. As per the requirement of section 178 of the Companies Act, 2013 and regulation 19 of SEBI LODR, the company has constituted Nomination and Remuneration Committee.

The Committee comprises of 4 (four) Directors, out of which 3 (three) are Independent Directors and 1 (one) is Non-Executive and Non-Independent Director, Mr. Brahm Prakash Bakshi is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Nomination and Remuneration Committee has also attended the last Annual General Meeting of the Company.

• **Meetings**

During the financial year 2017-18, Nomination and Remuneration Committee met 1 (one) time. The meeting was held on May 30, 2017.

**The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:**

| Sl. No | Name                     | Designation in Committee | Category                                 | Attendance |
|--------|--------------------------|--------------------------|------------------------------------------|------------|
| 1      | Mr. Brahm Prakash Bakshi | Chairman                 | Non-Executive & Independent Director     | 1/1        |
| 2      | Dr. Dhanpat Ram Agarwal  | Member                   | Non-Executive & Independent Director     | 0/1        |
| 3      | Mr. Ramesh Chandra Bajaj | Member                   | Non-Executive & Independent Director     | 1/1        |
| 4      | Mr. Bijay Kumar Garodia# | Member                   | Non-Executive & Non-Independent Director | 1/1        |

- Tendered his resignation as Chairman from Board of Directors w.e.f. 14.12.2017 and continue as the Non-Executive Director of the Company#
- There has been no change in the composition of the Committee during the year, the Company Secretary of the Company acts as the Secretary to the Committee.

The Nomination and Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policy, the Remuneration Committee determines the remuneration payable to the Directors. Apart from this, the detailed terms of reference of Nomination and Remuneration Committee are as follows:

• **Terms of Reference**

- a) The Nomination and Remuneration Committee shall be responsible to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- c) The Nomination and Remuneration Committee is responsible for Formulation of criteria for evaluation of Independent Directors and the Board.
- d) The Nomination and Remuneration Committee shall devise a policy on Board diversity.
- e) The Nomination and Remuneration Committee shall recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

• **Remuneration Policy**

Based on the recommendations of Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (KMP) and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

Pursuant to section 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and the Board of Directors of the Company formulated and approved the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees and pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 vide its meeting dated May 30, 2014. During the year, there have been no changes to the Policy. Hence, the same is not annexed to this report, but the same is available on our website [www.barakcement.com](http://barakcement.com/PDF/share%20holding%20info/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf) on the below mention link:

**<http://barakcement.com/PDF/share%20holding%20info/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>**

• **Details of Remuneration**

The Directors in the Board were entitled to the following remuneration during the Financial Year 2017-18.

| S. No | Name of Director           | Managerial Remuneration (In lakhs) | Sitting Fees (In lakhs) | No. of Shares as on 31.03.2018 |
|-------|----------------------------|------------------------------------|-------------------------|--------------------------------|
| 1     | Mr. Prahlad Rai Chamaria   | Nil                                | Nil                     | 19,84,800                      |
| 2     | Mr. Bijay Kumar Garodia    | Nil                                | Nil                     | 21,62,650                      |
| 3     | Mr. Kamakhya Chamaria      | 24.00                              | Nil                     | 3,40,000                       |
| 4     | Mr. Mahendra Kumar Agarwal | Nil                                | Nil                     | 14,75,680                      |
| 5     | Mr. Santosh Kumar Bajaj    | Nil                                | Nil                     | 18,84,500                      |

|     |                          |     |     |     |
|-----|--------------------------|-----|-----|-----|
| 6   | Mr. Brahm Prakash Bakshi | Nil | Nil | Nil |
| 7   | Dr. Dhanpat Ram Agarwal  | Nil | Nil | Nil |
| 8   | Mr. Ramesh Chandra Bajaj | Nil | Nil | Nil |
| 9   | Mr. Vishal More          | Nil | Nil | Nil |
| 10. | Mrs. Renu Kejriwal       | Nil | Nil | 150 |

Notes:

- The Managerial Remuneration has been paid in accordance with Companies Act, 2013 and as per their respective agreements with the Company.
- The Non-Executive Directors are entitled only to the sitting fees which are within specified limits as per Companies Act, 2013 and none of the non-executive directors have no other pecuniary relationship with the Company.
- The Chairman of Nomination & Remuneration Committee is an Independent Non Executive Director.
- Company has not issued any convertible instruments during the year 2017-18.

#### • **Performance Evaluation Criteria**

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence and structure

#### C. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints relating to non receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time. The Board had constituted the stakeholder's relationship committee on 30<sup>th</sup> May 2014, as per the requirements of section 178(5) of the Companies Act, 2013 and regulation 20 of the SEBI (LODR) Regulations.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Executive and non-independent director. Mr. Brahm Prakash Bakshi, is a Non-Executive Independent Director and Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Stakeholders Relationship Committee has also attended the last Annual General Meeting of the Company.

#### • **Meetings**

The Stakeholder Relationship Committee meeting was held on December 14, 2017 during the Financial year 2017-18.

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

| S. No | Name                     | Designation in Committee | Category                             | Attendance |
|-------|--------------------------|--------------------------|--------------------------------------|------------|
| 1     | Mr. Brahm Prakash Bakshi | Chairman                 | Non-Executive & Independent Director | 1/1        |
| 2     | Dr. Dhanpat Ram Agarwal  | Member                   | Non-Executive & Independent Director | 1/1        |
| 3     | Mr. Kamakhya Chamararia  | Member                   | Executive Director                   | 1/1        |

The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee's responsibility is to oversee Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

- Details of Complaints**

Pursuant to the requirement stipulated in the (Listing Obligation and Disclosure Requirement) Regulations, 2015 the following are the details of complaints received & resolved during 2017-18:

| Period                | Complaints Received | Complaints Resolved | Pending Complaints |
|-----------------------|---------------------|---------------------|--------------------|
| 01.04.2017-31.03.2018 | 2                   | 2                   | Nil                |

- Terms of Reference**

The terms of reference of the Committee shall, inter alia, include:

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- Consider and approve all requests from shareholders regarding transfer & transmission of shares, issue of duplicate share certificate, consolidation of shares, demat, remat, split & folio consolidation etc.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.

#### **D. SHARE TRANSFER COMMITTEE**

To expedite the process of transferring the shares along with their registration, the Share Transfer Committee was set up on September 07, 2006. The Terms of reference of the committee includes approval of share transfer, issue of duplicate/rematerialized shares, transmission of shares, consolidation, splitting of share certificates.

- Meetings**

No meeting of the Share Transfer Committee was held during the year ending 31<sup>st</sup> March, 2018.

The composition of the Share Transfer Committee and the details of meetings attended by its members are given below:

| S. No | Name                     | Designation in Committee | Attendance |
|-------|--------------------------|--------------------------|------------|
| 1     | Mr. Prahlad Rai Chamaria | Chairman                 | 0/0        |
| 2     | Mr. Santosh Kumar Bajaj  | Member                   | 0/0        |
| 3     | Ms. Saakshi Manchanda*   | Member                   | 0/0        |

\* Resigned w.e.f July 05, 2018

#### **E. GENERAL PURPOSE COMMITTEE**

The Board had constituted a General Purpose Committee on 30<sup>th</sup> January, 2010 to smoothly and swiftly carry out the day to day businesses and transactions of the Company.

The Committee is headed by Mr. Kamakhya Chamaria who is also the Vice-Chairman & Managing Director of the Company. The Committee consists of five Directors out of which 2 (two) are Executive Directors and 3 (three) is Non-Executive Director.

#### • **Meetings**

During the Financial year 2017-18 the General Purpose Committee met 6 (Six) times on 24.04.2017, 29.04.2017, 05.05.2017, 24.07.2017, 23.10.2017 and 14.11.2017.

The composition of the General Purpose Committee and the details of meetings attended by its members are given below:

| S. No | Name                       | Designation in Committee | Category                                   | Attendance |
|-------|----------------------------|--------------------------|--------------------------------------------|------------|
| 1     | Mr. Kamakhya Chamaria      | Chairman                 | Executive and Non-Independent Director     | 6/6        |
| 2     | Mr. Bijay Kumar Garodia    | Member                   | Non-Executive & Non-Independent Director   | 5/6        |
| 3     | Mr. Mahendra Kumar Agarwal | Member                   | Non-Executive and Non-Independent Director | 4/6        |
| 4     | Mr. Santosh Kumar Bajaj    | Member                   | Executive and Non-Independent Director     | 4/6        |
| 5     | Mr. Prahlad Rai Chamaria   | Member                   | Non-Executive and Non-Independent Director | 5/6        |

### III. SUBSIDIARIES

Your Company has 7 (seven) wholly owned subsidiaries namely:

| Sl. No | Name of the Subsidiary                                                  | Address                                                                            | Main Business Activity                                                         | Date of Acquisition                    |            |
|--------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------|------------|
|        |                                                                         | Registered Office                                                                  | Works                                                                          |                                        |            |
| 1      | Cement International Limited<br>(CIN:U26942ML2000PLC006173)             | Village Lumshonong, District Jaintia Hills, Meghalaya-793002                       | Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam-788803 | Manufacturing & selling of cement      | 31.03.2006 |
| 2      | Badarpur Energy Private Limited<br>(CIN:U40101AS2005PTC007654)          | 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007                  | Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam-788803 | Generation of Electricity*             | 31.03.2006 |
| 3      | Meghalaya Minerals & Mines Limited<br>(CIN:U14108ML2000PLC006057)       | Village Lumshonong, District Jaintia Hills, Lumshnong, Khliariat, Meghalaya-793200 | Village Lumshnong, Distt. Jaintia Hills, Meghalaya-793002                      | Mining of Limestone                    | 31.03.2006 |
| 4      | Goombira Tea Company Limited<br>(CIN:U01132AS1962PLC001188)             | 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007                  | Cachar Area, Distt. Karimganj, Assam-788737                                    | Tea, Rubber & Biomass Plantation       | 01.10.2010 |
| 5      | Singlacherra Tea Company Private Limited<br>(CIN:U01132AS1962PTC001187) | 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007                  | Cachar Area, Distt. Karimganj, Assam-788737                                    | Tea, Rubber & Biomass Plantation       | 01.10.2010 |
| 6      | Chargola Tea Company Private Limited<br>(CIN:U01132AS1962PTC001185)     | 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007                  | Cachar Area, Distt. Karimganj, Assam-788737                                    | Tea, Rubber & Biomass Plantation       | 01.10.2010 |
| 7      | Valley Strong Cements (Assam) Limited<br>(CIN:U26940AS2009PLC009197)    | Debendra Nagar, Jhoombasti, PO Badarpurghat, Badarpur, Assam-788803                | Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam-788803 | Yet to commence commercial operations. | 31.03.2011 |

\* Non operational during the Financial year 2017-18.

- The Audit Committee and the Board reviews the minutes, financial statements, significant transactions, investments made by the subsidiary companies, if any, and general working of the unlisted Subsidiary Companies.

### IV. GENERAL BODY MEETINGS

- Annual General Meeting*

The details of the Annual General Meetings held in the last three years are as follows:

| Sl. No. | Year    | Date of AGM | Day & Time            | Venue                                                                               | Details of Special Resolution, if any |
|---------|---------|-------------|-----------------------|-------------------------------------------------------------------------------------|---------------------------------------|
| 1.      | 2016-17 | 28.09.2017  | Thursday, 12:30 P.M   | 202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007 | Provided below*                       |
| 2.      | 2015-16 | 30.09.2016  | Friday, 12:30 P.M     | 202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007 | No Special Resolution was passed.     |
| 3.      | 2014-15 | 23.09.2015  | Wednesday, 12:30 P.M. | 202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007 | Provided below**                      |

***\*Details of Special Resolution:***

**Item No. 5:-** Re-appointment of Mr. Kamakhya Chamaria (DIN:00612581) as Vice Chairman and Managing Director of the Company designated as Key Managerial Personnel of the Company.

***\*\*Details of Special Resolution:***

**Item No. 5:-** To alter Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. The resolution was passed by requisite majority.

**Item No. 6:-** To adopt new set of Articles of Association in conformity with the Table F of Schedule I of the Companies Act, 2013. The resolution was passed by requisite majority.

- Extra-ordinary General Meeting***

No Extra-Ordinary General was held during the Financial Year 2017-18.

- Postal Ballot***

During the Financial Year 2017-18, no resolution has been passed through the exercise of postal ballot therefore the information regarding Voting Pattern and the person who conducted the postal ballot exercise are Not Applicable for the Company. The Special Resolution, if any, proposed to be conducted by Postal Ballot shall be in accordance with law.

## **V. DISCLOSURES**

- Related Party Transactions***

Related party transactions entered by your Company during the year were on arm's length basis and in the ordinary course of business. No materially significant related party transactions took place between the Company and its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. All related party transactions have prior approval of the Audit Committee and are reviewed by the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website at the below mentioned Link:



<http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20RELATED%20PARTY%20TRANSACTION.pdf>

Other Related party transactions as per requirements of Ind AS 24 are more fully mentioned in relevant Schedule of Notes on Account. However, all these transactions are on normal commercial arm's length basis. None of the transactions with any related parties are in prejudice to the interest of the Company.

Further senior management has no personal interest in material financial or commercial transactions which may have potential conflict with the interest of the Company.

- ***Disclosure of Accounting Treatment***

Your Company has followed all relevant Accounting Standards issued by ICAI in the preparations of financial statements. The significant accounting policies which are consistently applied have been set out in the Notes on Accounts. There is no material change in the Accounting Policies.

- ***Risk Management***

The Company has established a procedure to enable Board Members to assess the prospective risk and to take proactive steps to mitigate the same. The established procedures are being evaluated from time to time to determine their relevance and reliability.

- ***Proceeds from public issues, rights issues, preferential issues, etc.***

During the year, your Company did not raise any funds by way of public, rights, preferential issues, etc.

- ***Management***

The Management Discussion and Analysis forms part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.

No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of your Company.

- ***Policy on Material Subsidiary***

The Company's policy on "material subsidiary" is placed on the Company's website at the following link:

<http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

- ***Non-Compliance/Penalties/Strictures Imposed***

There had been not any non-compliance by the company nor any penalties, strictures have been imposed on the Company by the Stock Exchange(S) or the SEBI or any other statutory authority on any matters related to capital markets during the last three years.

- ***Details of compliance with Mandatory Requirements:***

The Company is complying with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, however, Company has not adopted any of the non-mandatory requirements stipulated under the said enactment.

- ***Whistle Blower Policy/Vigil Mechanism***

In terms of Section 177 of the Companies Act, 2013 and listing regulations, the Company has established a vigil mechanism/ Whistle Blower Policy for directors and employees to report to the concerns about the unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

The Company affirms that no personnel has been denied access to the Audit Committee. In order to ensure proper functioning of vigil mechanism Audit Committee of the Company on quarterly basis take note of the same. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. <http://www.barakcement.com/index384c.html>.

- ***Compliance Certification by CEO/CFO***

The requisite certification from the Vice Chairman cum Managing Director and Chief Executive Officer for the Financial Year 2017-18 required to be given under regulation 17(8) and 33 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 was placed before the Board of Directors of the Company at its meeting.

- ***Report Corporate Governance***

Your Company complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

- ***Compliance***

A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.

## **VI. MEANS OF COMMUNICATION**

### **Quarterly results and other relevant information:**

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per Listing Regulations, are published in prominent English and Regional language newspapers usually in English Language Newspaper ('The Pioneer') and Regional Newspaper ('Dainik Jansadharan'). The quarterly financial results are also posted on the website of the Company - [www.barakcement.com](http://www.barakcement.com).

### **Website:**

The Company's website [www.barakcement.com](http://www.barakcement.com) contains a separate section 'Investor' for use of investors. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website

The Company has also designated an email-id [cs@barakcement.com](mailto:cs@barakcement.com) for investor servicing.

## **VII. GENERAL SHAREHOLDER INFORMATION**

### **i Annual General Meeting**

Date: Friday, 28<sup>th</sup> September, 2018  
Time: 12:30 P.M.  
Venue: 202, Royal View, 2<sup>nd</sup> Floor, B.K. Kakoti Road, Ulubari, Guwahati, Assam-781007

### **ii Financial Year**

From: 1<sup>st</sup> April, 2017  
To: 31<sup>st</sup> March, 2018

### **iii Book Closure Date**

From: 22<sup>nd</sup> September, 2018  
To: 28<sup>th</sup> September, 2018  
(Both days inclusive)

### **iv Dividend Payment Date**

No Dividend is proposed for the Financial Year 2017-18.

**v. Listing of shares**

| <b>Equity Shares Listed on Stock Exchanges :</b> The Equity Shares of the Company are listed on                        |                      |
|------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>National Stock Exchange (NSE)</b><br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai-400051 | [scrip code: BVCL]   |
| <b>Bombay Stock Exchange (BSE)</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400023                          | [scrip code: 532916] |

**vi Payment of Listing Fees:**

The payment of the Annual Listing Fees for the year 2018-19 had been paid by the Company to BSE and NSE on which the securities of the Company are listed.

**vii Payment of Depository Fees:**

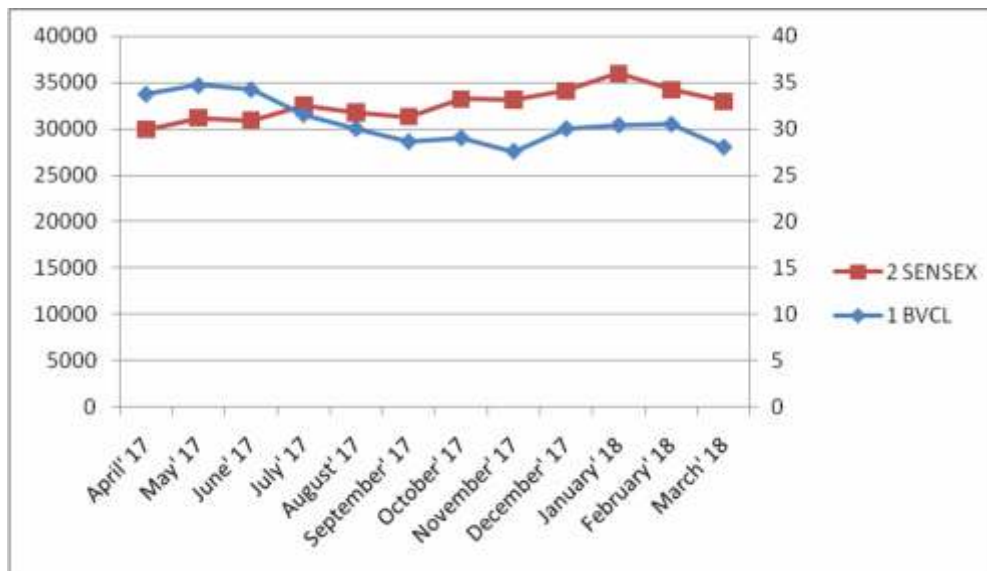
Annual Custody/Issuer fee for the year 2018-19 has been paid by the Company to CDSL & NSDL.

**viii Market Price Data: High, Low (based on the closing prices) and volume of shares traded at BSE and NSE, for the financial year 2017-18 are as follows:**

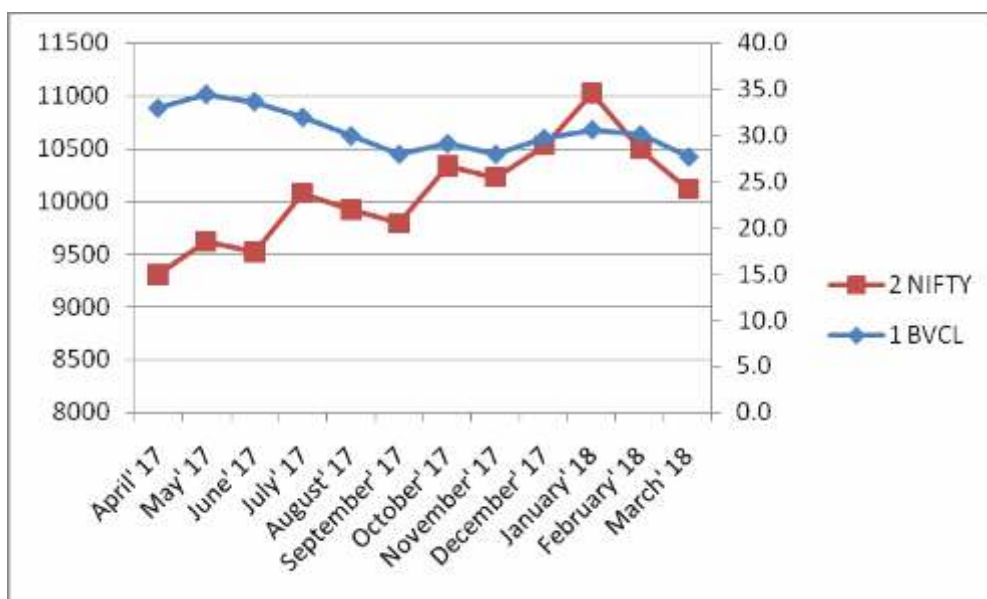
| Month           | Bombay Stock Exchange Limited |         |        | National Stock Exchange of India Limited |         |           |
|-----------------|-------------------------------|---------|--------|------------------------------------------|---------|-----------|
|                 | High(Rs)                      | Low(Rs) | Volume | High(Rs)                                 | Low(Rs) | Volume    |
| <b>April'17</b> | 43.00                         | 28.00   | 6,244  | 42.80                                    | 27.00   | 31,61,953 |
| <b>May'17</b>   | 39.85                         | 32.25   | 804    | 39.50                                    | 32.55   | 3,48,125  |
| <b>June'17</b>  | 36.65                         | 32.00   | 363    | 36.35                                    | 32.00   | 92,835    |
| <b>July'17</b>  | 35.10                         | 31.50   | 294    | 35.35                                    | 30.80   | 1,19,286  |
| <b>Aug'17</b>   | 33.35                         | 26.35   | 475    | 33.05                                    | 26.10   | 93,330    |
| <b>Sept'17</b>  | 31.60                         | 26.90   | 271    | 32.00                                    | 26.80   | 1,05,143  |
| <b>Oct'17</b>   | 30.45                         | 25.25   | 388    | 30.15                                    | 25.35   | 2,45,598  |
| <b>Nov'17</b>   | 30.00                         | 25.35   | 330    | 30.60                                    | 25.15   | 1,79,378  |
| <b>Dec'17</b>   | 43.00                         | 28.00   | 611    | 33.30                                    | 25.15   | 1,86,704  |
| <b>Jan'18</b>   | 39.85                         | 32.25   | 737    | 34.05                                    | 29.50   | 3,40,810  |
| <b>Feb'18</b>   | 36.65                         | 32.00   | 298    | 34.90                                    | 26.85   | 1,48,977  |
| <b>Mar'18</b>   | 35.10                         | 31.50   | 137    | 31.50                                    | 26.80   | 84,757    |

ix Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc:

**Performance in comparison to BSE Sensex**  
(Closing value of BVCL's share price v/s BSE Sensex)



**Performance in comparison to NSE Nifty**  
(Closing value of BVCL's share price v/s NSE Nifty)



**x Registrar & Share Transfer Agents**

The details of the RTA is as follows:  
MCS Share Transfer Agent Limited,  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020  
Phone: 011-41406149; Fax: 011-41709881  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

**xi Share Transfer System**

Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfer are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialization is required to be done with in a period of 15 days from the date of lodgment of dematerialization request, complete in all respect, with the Depository Participant of the Shareholder.

**xii Details of Unpaid Dividend as on 31.03.2018**

No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund as on March 31, 2018.

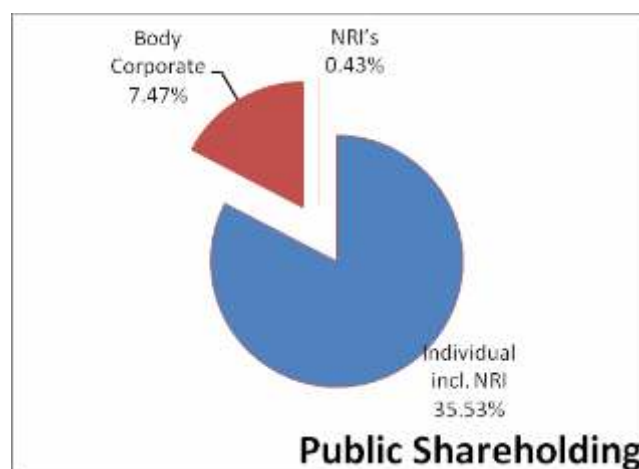
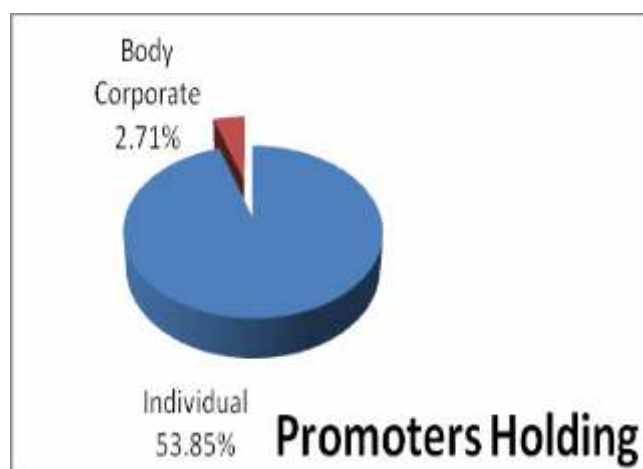
**xiii Distribution of Shareholding as on 31.03.2018**

| Range        | Shareholders           |                        |                        |                        |
|--------------|------------------------|------------------------|------------------------|------------------------|
|              | Number of Shareholders | % of Total             | No. of Shares          | % of Total             |
| 1-500        | 5227                   | 79.5102                | 848214                 | 3.8277                 |
| 501-1000     | 601                    | 9.1421                 | 524339                 | 2.3662                 |
| 1001-2000    | 324                    | 4.9285                 | 518897                 | 2.3416                 |
| 2001-3000    | 127                    | 1.9319                 | 333097                 | 1.5031                 |
| 3001-4000    | 39                     | .5932                  | 139435                 | .6292                  |
| 4001-5000    | 54                     | .8214                  | 256631                 | 1.1581                 |
| 5001-10000   | 72                     | 1.0952                 | 550203                 | 2.4829                 |
| 10001-50000  | 66                     | 1.0040                 | 1465598                | 6.6137                 |
| 50001-100000 | 23                     | .3499                  | 1726898                | 7.7929                 |
| And Above    | 41                     | .6237                  | 15796688               | 71.2847                |
| <b>Total</b> | <b><u>6574</u></b>     | <b><u>100.0000</u></b> | <b><u>22160000</u></b> | <b><u>100.0000</u></b> |

# BARAK VALLEY CEMENTS LIMITED

## Shareholding Pattern as on 31st March, 2018

| Category                      | No. of Shares             | % of Holding       |
|-------------------------------|---------------------------|--------------------|
| <b>Promoter</b>               |                           |                    |
| Individual                    | 1,19,34,184               | 53.85%             |
| Body Corporate                | 6,00,000                  | 2.71%              |
| <b>Sub Total (A):</b>         | <b>1,25,34,184</b>        | <b>56.56%</b>      |
| <b>Public:</b>                |                           |                    |
| Individual                    | 78,72,542                 | 35.53%             |
| Body Corporate                | 16,55,661                 | 7.47%              |
| Financial Institutions/Bank   | Nil                       | ---                |
| NRI*, Foreign Nationals, FII* | 94,507                    | 0.426%             |
| Govt.                         | 3,106                     | 0.014%             |
| Others                        | Nil                       | ---                |
| <b>Sub Total (B):</b>         | <b>96,25,816</b>          | <b>43.44%</b>      |
| <b>Total (A+B):</b>           | <b><u>2,21,60,000</u></b> | <b><u>100%</u></b> |



**xiv Dematerialized of Shares and liquidity as on 31.03.2018**

| Particulars              | No. of Shares      | Percentage        |
|--------------------------|--------------------|-------------------|
| <i>Dematerialization</i> |                    |                   |
| NSDL                     | 1,46,03,899        | 65.90             |
| CDSL                     | 68,84,095          | 35.34             |
| <b>Sub Total</b>         | <b>2,14,87,994</b> | <b>96.97</b>      |
| <i>Physical</i>          | <b>6,72,006</b>    | <b>3.03</b>       |
| <b>Total</b>             | <b>2,21,60,000</b> | <b><u>100</u></b> |

**xv Outstanding GDRs/ADRs/Warrants or any convertible Instruments**

There are no outstanding GDRs/ADRs/Warrants or any other convertible instruments of the Company.

**xvi Proposed date for approval of financial results**

|                                                 |                                              |
|-------------------------------------------------|----------------------------------------------|
| Quarter Ending 30 <sup>th</sup> June, 2018      | On or before 14 <sup>th</sup> August, 2018   |
| Quarter Ending 30 <sup>th</sup> September, 2018 | On or before 14 <sup>th</sup> November, 2018 |
| Quarter Ending 31 <sup>st</sup> December, 2018  | On or before 14 <sup>th</sup> February, 2019 |
| Quarter Ending 31 <sup>st</sup> March, 2019     | On or before 30 <sup>th</sup> May, 2019      |

**xvii ISIN Allotted to the Company by the Depositories:**

The Company has signed Depository agreement with both National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company is INE139I01011

**xviii Corporate Identity Number**

Corporate Identification Number (CIN): L01403AS1999PLC005741

**xvix Financial Calendar (for the year 2017-18)**

The Company follows Financial Year starting from 1st of April of the Financial Year and ending on 31st March of the following year.

**xx Reconciliation of Share Capital Audit**

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

**xxi Plant Locations**

Debendra Nagar, Jhoombasti, P.O.Badarpurghat,  
Distt. Karimganj, Assam-788803  
Phone: 03843-269435/881  
Fax: 03843-268965

**xxii Address for Correspondence**

- a) *Registered Office:* 202, Royal View,  
B.K.Kakoti Road, Ulubari, Guwahati,  
Assam-781007  
Ph: 0361-2464670-71; Fax: 0361-2464672  
E-mail: [bvclghy1@gmail.com](mailto:bvclghy1@gmail.com)
- b) *Corporate Office:* 281, Deepali, Pitampura, Delhi-110034  
Ph: 011-49805200/300; Fax: 011-27033824/30  
E-mail: [delhi@barakcement.com](mailto:delhi@barakcement.com)
- c) *Branch Office:* CF-361, Salt Lake City,  
Sector-1, Kolkata-700064  
Ph: 033-40046161/62; Fax: 033-40046164  
E-mail: [bvcl.kol64@gmail.com](mailto:bvcl.kol64@gmail.com)
- d) *Compliance Officer:* Ms. Saakshi Manchanda  
(resigned w.e.f 05.07.2018)  
(Company Secretary)  
Ph: 011-49805200/300; Fax: 011-27033824/30  
E-mail: [cs@barakcement.com](mailto:cs@barakcement.com)

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 13.08.2018**

**Bijay Kumar Garodia**  
(Director)  
DIN: 00044379

**Kamakhya Chamaria**  
(Vice Chairman & Managing Director)  
DIN : 00612581



**DECLARATION**

I, Mukesh Kumar Shovasaria, Chief Executive officer of the Company do hereby declare that during the Financial Year ended March 31, 2018, all the Board members and senior management personnel have affirmed compliance with the code of conduct of the Company as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015..

For **BARAK VALLEY CEMENTS LIMITED**

Sd/-

(Mukesh Kumar Shovasaria)  
Chief Executive Officer

Place : New Delhi

Date : 13.08.2018

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors  
**Barak Valley Cements Limited**

**Sub: Certificate under Regulation 17 (8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

We the undersigned, certify to the board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement herein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **BARAK VALLEY CEMENTS LIMITED**  
Sd/-

Mukesh Kumar Shovasaria  
(Chief Executive Officer)

Place: New Delhi  
Date : 01.06.2018

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

*(In pursuant to Part E of Schedule V of the SEBI  
[Listing Obligation & Disclosure Requirements] Regulations, 2015)*

To

The Members of Barak Valley Cements Limited

1. We have examined the compliance of conditions of Corporate Governance by **Barak Valley Cements Limited** for the year ended on March 31, 2018 as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For P.K. Lakhani & Co.**  
**Chartered Accountants**  
**(Firm Registration no. 014682N)**

**CA Anjali Yadav**  
**Partner**  
**Membership No. 519203**

**Place: Gurgaon**  
**Date: 13.08.2018**

**INDEPENDENT AUDITORS' REPORT**

**To the Members of  
Barak Valley Cements Limited,**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Barak Valley Cements Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 31<sup>st</sup> March 2018, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Emphasis of Matter**

The comparative financial information of the company for the year ended March 31, 2018 and the transition date opening Balance Sheet as at April 1, 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory

financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, Kumar Vijay Gupta & Co., as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

**Report on other Legal & Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to best of our information and according to the explanation given to us.
    - (i) The company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 36 to the financial statements.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended March 31, 2018.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
*Firm Registration No. 014682-N*

**(CA. Anjali Yadav)**  
**Partner**  
**M. No. 519203**

Place: Gurgaon  
Date: 01<sup>st</sup> June, 2018

**Annexure “A” to the Independent Auditors' Report**

**The Annexure referred to in Paragraph (1) under the heading of “Report on Other Legal and Regulatory Requirements” of our report for the year ended 31<sup>st</sup> March 2018:**

1. In respect of the Company's Property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
  - (b) The Property, plant and equipment of the company are physically verified by the management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The inventories, except goods in transit and material lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management of the company. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. So, the provisions of paragraph 3(iii) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loan and investments made.
5. The company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. Accordingly, the provisions of the clause 3 (v) of the Order are not applicable to the company.
6. We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the said records with a view to determine that they are accurate or complete.
7. (a) The company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, sales –tax, wealth tax, service tax, value added tax, goods and service tax, excise duty, cess and other material statutory dues applicable to it, with the appropriate authorities. According to the information and explanations given to us, there was no arrears of statutory dues as at 31<sup>st</sup> March' 2018 except for a sum of Rs.11,76,620/- on account of Cess on cement for a period of more than six months from the date it became payable.
- (b) According to the information and explanations given to us, the particulars of disputed taxes and duties as at March 31,2018 which have not been deposited with the appropriate authorities, are as under:
 

| Name of the Statute       | Nature of Dues    | Amount (Rs. In Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------|-------------------|-----------------------|------------------------------------|--------------------------------|
| Assam Entry Tax Act, 2008 | Entry –Tax demand | 90.79                 | 2005 -06 to 2008 -09               | Appellate Authority, Guwahati. |
8. Based on our audit procedures and as per the information and explanation given to us by the management, the company has not defaulted in repayment of loans or borrowings from financial institutions or banks. The company has not issued any debentures.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given by the management, monies raised by way of term loans were applied for the purpose for which they were raised.

10. According to the information and explanations given to us, and based upon the audit procedures performed during the year, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
*Firm Registration No. 014682-N*

**(CA. Anjali Yadav)**  
**Partner**  
**M. No. 519203**

Place: Gurgaon  
Date: 01<sup>st</sup> June, 2018

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Barak Valley Cements Limited** ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company'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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
*Firm Registration No. 014682-N*

**(CA. Anjali Yadav)**  
**Partner**  
**M. No. 519203**

Place: Gurgaon  
Date: 01<sup>st</sup> June, 2018

**STANDALONE BALANCE SHEET AS AT 31 MARCH 2018**
**(Rs. In lakhs)**

| Particulars                                       | Notes | 31-Mar-18        | 31-Mar-17        | 1-Apr-16         |
|---------------------------------------------------|-------|------------------|------------------|------------------|
| <b>ASSETS</b>                                     |       |                  |                  |                  |
| <b>(1) Non-current assets</b>                     |       |                  |                  |                  |
| (a) Property, plant and equipment                 | 3     | 10,705.28        | 11,217.26        | 8,479.23         |
| (b) Capital work-in-progress                      |       | 227.40           | 80.05            | -                |
| (c) Intangible assets                             | 3 (a) | 0.36             | 0.05             | 0.13             |
| (d) Intangible assets under development           |       | 40.64            | -                | -                |
| (e) Financial assets :                            |       |                  |                  |                  |
| (i) Investments                                   | 4     | 3,238.75         | 2,903.67         | 2,877.57         |
| (ii) Other financial assets                       | 5     | 228.02           | 223.17           | 222.66           |
| (f) Deferred tax assets (net)                     | 6     | 222.76           | 220.88           | 271.70           |
| (g) Other non-current assets                      | 7     | 262.69           | 262.64           | 262.44           |
| <b>Total non-current assets</b>                   |       | <b>14,925.89</b> | <b>14,907.72</b> | <b>12,113.72</b> |
| <b>(2) Current assets</b>                         |       |                  |                  |                  |
| (a) Inventories                                   | 8     | 959.28           | 664.91           | 1,035.39         |
| (b) Financial assets :                            |       |                  |                  |                  |
| (i) Trade receivables                             | 9     | 1,449.14         | 1,101.78         | 1,209.94         |
| (ii) Cash and cash equivalents                    | 10    | 151.25           | 659.79           | 213.68           |
| (iii) Other Bank balances (other than (ii) above) | 11    | 97.18            | 67.40            | 9.88             |
| (iv) Loans                                        | 12    | 119.52           | 595.01           | 517.89           |
| (v) Other financial assets                        | 13    | 555.59           | 1,403.02         | 1,342.40         |
| (c) Other current assets                          | 14    | 1,682.05         | 1,117.04         | 909.91           |
| <b>Total current assets</b>                       |       | <b>5,014.01</b>  | <b>5,608.96</b>  | <b>5,239.09</b>  |
| <b>Total assets</b>                               |       | <b>19,939.91</b> | <b>20,516.68</b> | <b>17,352.81</b> |
| <b>EQUITY AND LIABILITIES</b>                     |       |                  |                  |                  |
| <b>Equity</b>                                     |       |                  |                  |                  |
| (a) Equity share capital                          | 15    | 2,216.00         | 2,216.00         | 2,216.00         |
| (b) Other equity                                  | 16    | 5,944.17         | 5,661.06         | 5,510.00         |
| <b>Total equity</b>                               |       | <b>8,160.17</b>  | <b>7,877.06</b>  | <b>7,726.00</b>  |
| <b>Liabilities</b>                                |       |                  |                  |                  |
| <b>(1) Non-current liabilities</b>                |       |                  |                  |                  |
| (a) Financial liabilities :                       |       |                  |                  |                  |
| (i) Borrowings                                    | 17    | 3,704.33         | 3,187.94         | 1,172.33         |
| (ii) Other financial liabilities                  | 18    | 502.78           | 486.55           | 616.69           |
| (b) Employee benefit obligations                  | 19    | 66.39            | 52.70            | 65.01            |
| (c) Other non current liabilities                 | 20    | 130.43           | 339.75           | 349.06           |
| <b>Total non-current liabilities</b>              |       | <b>4,403.93</b>  | <b>4,066.93</b>  | <b>2,203.10</b>  |
| <b>(2) Current liabilities</b>                    |       |                  |                  |                  |
| (a) Financial liabilities :                       |       |                  |                  |                  |
| (i) Borrowings                                    | 21    | 2,476.03         | 2,498.96         | 2,749.78         |
| (ii) Trade payables                               |       | 3,208.17         | 3,556.76         | 2,036.85         |
| (iii) Other financial liabilities                 | 22    | 502.44           | 725.12           | 1,289.19         |
| (b) Employee benefit obligation                   | 23    | 15.58            | 12.67            | 28.46            |
| (c) Other current liabilities                     | 24    | 1,153.03         | 1,749.78         | 1,319.42         |
| (d) Current tax liabilities (net)                 | 25    | 20.57            | 29.40            | -                |
| <b>Total current liabilities</b>                  |       | <b>7,375.81</b>  | <b>8,572.69</b>  | <b>7,423.70</b>  |
| <b>Total liabilities</b>                          |       | <b>11,779.74</b> | <b>12,639.62</b> | <b>9,626.80</b>  |
| <b>Total equity and liabilities</b>               |       | <b>19,939.91</b> | <b>20,516.68</b> | <b>17,352.81</b> |

**Significant accounting policies and notes on accounts** 1 & 2

The accompanying notes 1-49 are an integral part of the financial statements

 As per our report of even date  
**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**For & on behalf of the Board of Directors**
**(CA. Anjali Yadav)**  
 Partner  
 M.No. 519203

**(Santosh Kumar Bajaj)**  
 Director

**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**
**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Saakshi Manchanda)**  
 Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2018**

(Rs. In lakhs)

| Particulars                                                    | Notes | 31-Mar-18        | 31-Mar-17        |
|----------------------------------------------------------------|-------|------------------|------------------|
| <b>INCOME</b>                                                  |       |                  |                  |
| Revenue from operations                                        | 26    | 15,178.64        | 12,416.51        |
| Other income                                                   | 27    | 70.28            | 92.98            |
| <b>Total revenue</b>                                           |       | <b>15,248.93</b> | <b>12,509.49</b> |
| <b>EXPENSES</b>                                                |       |                  |                  |
| Cost of materials consumed                                     | 28    | 3,895.40         | 3,476.33         |
| (Increase)/decrease in inventories                             | 29    | 64.64            | 186.15           |
| Excise Duty                                                    |       | 206.10           | 163.71           |
| Employee benefit expenses                                      | 30    | 1,026.72         | 837.49           |
| Finance costs                                                  | 31    | 929.88           | 541.34           |
| Depreciation and amortization expenses                         | 32    | 601.74           | 291.93           |
| Other expenses                                                 | 33    | 8,170.44         | 6,753.69         |
| <b>Total expenses</b>                                          |       | <b>14,894.91</b> | <b>12,250.63</b> |
| <b>Profit before tax</b>                                       |       | <b>354.02</b>    | <b>258.86</b>    |
| <b>Tax expenses</b>                                            |       |                  |                  |
| - Current tax                                                  |       | 73.07            | 54.88            |
| - Deferred tax                                                 |       | (1.97)           | 53.60            |
| <b>Total tax expenses</b>                                      |       | <b>71.10</b>     | <b>108.48</b>    |
| <b>Profit for the year</b>                                     |       | <b>282.91</b>    | <b>150.39</b>    |
| <b>Other comprehensive income</b>                              |       |                  |                  |
| Items that will not be reclassified to profit or loss          |       |                  |                  |
| impact of remeasurement of non - current investment            |       | 0.28             | (9.00)           |
| Deferred tax on above                                          |       | 0.09             | (2.78)           |
| <b>Other comprehensive income for the year, net of tax</b>     |       | <b>0.19</b>      | <b>(6.22)</b>    |
| <b>Total comprehensive income for the year</b>                 |       | <b>283.11</b>    | <b>144.17</b>    |
| <b>Earnings per equity share (Face value of Rs. 10/- each)</b> | 34    |                  |                  |
| Basic earning per share                                        |       | 1.28             | 0.68             |
| Diluted earning per share                                      |       | 1.28             | 0.68             |

**Significant accounting policies and notes on accounts**
**1 & 2**

The accompanying notes 1-49 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**
**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**
**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary

**STAND ALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2018**
**(Rs. In lakhs)**

| S.No.     | Particulars                                                           | 31-Mar-18       | 31-Mar-17         |
|-----------|-----------------------------------------------------------------------|-----------------|-------------------|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>                          |                 |                   |
|           | Net Profit before Tax and exceptional items                           | 354.02          | 258.86            |
|           | Adjustment for:                                                       |                 |                   |
|           | Add : Depreciation & Misc. expenditure                                | 601.74          | 291.93            |
|           | Interest & finance charges                                            | 929.88          | 541.34            |
|           | Operating Profit before working capital changes                       | 1,885.64        | 1,092.13          |
|           | Adjustment for change in :                                            |                 |                   |
|           | Trade & other receivables                                             | 375.87          | (294.94)          |
|           | Inventories                                                           | (294.37)        | 370.48            |
|           | Trade and other payables                                              | (1,196.88)      | 1,148.98          |
|           | <b>Cash generated from Operations</b>                                 | <b>770.26</b>   | <b>2,316.65</b>   |
|           | Direct Taxes Paid                                                     | (73.07)         | (54.88)           |
|           | Prior period adjustments / Exceptional Items                          | 0.28            | (2.11)            |
|           | <b>Net Cash Flow from operating activities</b>                        | <b>697.47</b>   | <b>2,259.66</b>   |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                           |                 |                   |
|           | (Purchase)/ Sales of Property, plant and equipment                    | (278.06)        | (3,109.94)        |
|           | (Purchase)/ Sales of Investments                                      | (335.08)        | (26.10)           |
|           |                                                                       | <b>(613.14)</b> | <b>(3,136.04)</b> |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>                          |                 |                   |
|           | Net proceeds from issue of Equity Shares                              | -               | -                 |
|           | Increase in Long term Bank & Other borrowings                         | 337.00          | 1,863.83          |
|           | Dividend (including CDT)                                              | -               | -                 |
|           | Interest and finance charges paid                                     | (929.88)        | (541.34)          |
|           |                                                                       | <b>(592.87)</b> | <b>1,322.50</b>   |
|           | <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>(508.54)</b> | <b>446.11</b>     |
|           | Add:- Opening Balance of cash & Cash Equivalents                      | 659.79          | 213.68            |
|           | <b>Cash &amp; Cash Equivalents at the Closing of the year</b>         | <b>151.25</b>   | <b>659.79</b>     |

Note : Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
 Partner  
 M.No. 519203

**(Santosh Kumar Bajaj)**  
 Director

**(Kamakhya Chamarria)**  
 Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Saakshi Manchanda)**  
 Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**
**A. Equity Share Capital**
**(Rs. In lakhs)**

| Particulars                     | Amount          |
|---------------------------------|-----------------|
| <b>As at 01st April, 2016</b>   | <b>2,216.00</b> |
| Changes in equity share capital | -               |
| <b>As at 31st March, 2017</b>   | <b>2,216.00</b> |
| Changes in equity share capital | -               |
| <b>As at 31st March, 2018</b>   | <b>2,216.00</b> |

**B. Other Equity**

| Particulars                                   | Reserve and Surplus |                 |                   | Total Other equity |
|-----------------------------------------------|---------------------|-----------------|-------------------|--------------------|
|                                               | Securities Premium  | General Reserve | Retained Earnings |                    |
| Balance as at 01st April, 2016                | 1,514.40            | 397.29          | 3,598.32          | 5,510.00           |
| Profit for the year                           | -                   | -               | 150.39            | 150.39             |
| Other comprehensive income/ (Loss) net of tax | -                   | -               | (6.22)            | (6.22)             |
| Impact of deferred tax/ others                | -                   | -               | 6.89              | 6.89               |
| <b>Balance as at 31st March, 2017</b>         | <b>1,514.40</b>     | <b>397.29</b>   | <b>3,749.38</b>   | <b>5,661.06</b>    |

| Particulars                                   | Reserve and Surplus |                 |                   | Total Other equity |
|-----------------------------------------------|---------------------|-----------------|-------------------|--------------------|
|                                               | Securities Premium  | General Reserve | Retained Earnings |                    |
| Balance as at 01st April, 2017                | 1,514.40            | 397.29          | 3,749.38          | 5,661.06           |
| Profit for the year                           | -                   | -               | 282.91            | 282.91             |
| Other comprehensive income/ (Loss) net of tax | -                   | -               | 0.19              | 0.19               |
| <b>Balance as at 31st March, 2018</b>         | <b>1,514.40</b>     | <b>397.29</b>   | <b>4,032.48</b>   | <b>5,944.17</b>    |

The accompanying notes 1-49 are an integral part of the financial statements

As per our report of even date  
**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****1. CORPORATE INFORMATION**

Barak Valley Cements Limited (the company) is a public limited company domiciled in India and incorporated on 28<sup>th</sup> April' 1999 as per the provisions of the Companies Act, 1956. The company is engaged in the manufacturing and selling of various brands of Cement in north eastern states. The manufacturing unit of the company is located at Badarpurghat, Distt. Karimganj, Assam.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation:****(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the company under Ind AS. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

The accounting policies are consistently followed by the company and changes in accounting policy are separately disclosed.

**(ii) Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Land & Building that are measured at fair value.
- defined benefit plans – plan assets measured at fair value
- certain financial assets & Liabilities that are measured at fair value.

**(iii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.2 Use of Estimates :**

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2.3 Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

## **2.4 Property, plant and equipment:**

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, if any) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use.

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the previous carrying value of all its property, plant and equipment measured as per the previous GAAP except Land & Building that are measured at fair value and use that carrying value or fair value as the deemed cost of the property, plant and equipment and capital work-in-progress.

### **Capital Work In Progress**

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

## **2.5 Expenditure during construction period:**

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production/ completion of project are capitalized.

## **2.6 Depreciation:**

Depreciation on Property, plant and equipment is provided on Written down Value (WDV) Method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified there in. Useful lives, components and residual amounts of all assets are reviewed annually. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

## **2.7 Intangible Assets :**

An Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased / developed software and IT related expenditure are written off over a period of three years. On transition to Ind AS, the company has elected to continue

with the carrying value of intangible assets recognized as at 1<sup>st</sup> April' 2016 measured as per the previous GAAP adopted by the company.

## **2.8 Investments 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 company's business model for managing the financial assets and the contractual terms of cash flows.

### **Measurement**

All the financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### **Equity instruments**

The company subsequently measures all equity investments (except subsidiary, associate and joint venture, which are carried at cost) at fair value through other comprehensive income.

### **Impairment of financial assets**

The company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### **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 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.

## **2.9 Financial liabilities :**

### **Initial recognition and measurement**

The company recognises all the financial liabilities on initial recognition at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability that are not at fair value through profit or loss, are added to the fair value on initial recognition.

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

### **Subsequent measurement**

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

### **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## **2.10 Borrowings :**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Difference between the proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to any other party and the consideration paid, is recognized in profit or loss as finance cost or other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for 12 months after the reporting period.

## **2.11 Investment in Subsidiaries :**

The Company's investment in its subsidiary, associate and joint venture are carried at cost less accumulated impairment loss if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

## **2.12 Inventories:**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of Inventories is computed on weighted average basis.

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.

**2.13 Trade receivables and payables:**

Trade receivables are recognized at fair value. Subsequently receivables are measured at amortized cost using the effective interest method.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Payables are also recognized at fair value and subsequently at amortized cost using the effective interest method, if required.

**2.14 Revenue Recognition:**

The company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company. Sales are recognized when substantial risks and rewards of ownership are transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and are net of trade discounts, sales commission, rebates, sales returns, value added taxes/ Goods & service Tax and other amounts collected on behalf of the government or third parties.

Interest income is recognized using the effective interest rate method.

**2.15 Impairment of non – financial assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

**2.16 Employee Benefits:**
**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Defined Contribution Plan**

Employees benefits in the form of provident fund and other labour welfare fund are considered as 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.

**(iii) Defined Benefit Plan**

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

**(iv) Other Long-term benefits**

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the statement of profit and loss

**2.17 Government Grants and Subsidies :**

Government grants and subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expenses.

**2.18 Tax Expenses:**

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961.

**Minimum Alternate Tax (MAT) :** Minimum alternate tax (MAT) paid in a year/period is charged to the statement of profit and loss as current tax for the year/period. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**2.19 Research and Development Expenditure :**

Revenue expenditure on Research and Development is charged to the statement of profit and loss in the year in which it is incurred and are included under the related head of expenditure. Capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

**2.20 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**2.21 Provisions and Contingencies :**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expenses. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

**2.22 Cash and Cash Equivalents :**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short term highly liquid investment /deposits with an original maturity period of three or less than three months.

**2.23 Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income 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 before other comprehensive income 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 dilutive potential equity shares.

**2.24 Lease :**

Leases of property, plant and equipment; where the Company as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.25 Offsetting financial instruments :**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counter party.

**2.26 Segment reporting :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**2.27 Dividends :**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

| <b>Note : 3 Property, Plant and Equipment</b> |                                    |                         |                             |                              |                                 |                 |                          |                  |                  | <b>(Rs. In lakhs)</b> |  |
|-----------------------------------------------|------------------------------------|-------------------------|-----------------------------|------------------------------|---------------------------------|-----------------|--------------------------|------------------|------------------|-----------------------|--|
| <b>Particulars</b>                            | <b>Land &amp; Site Development</b> | <b>Factory Building</b> | <b>Non Factory Building</b> | <b>Plant &amp; Machinery</b> | <b>Furniture &amp; Fixtures</b> | <b>Vehicles</b> | <b>Office Equipments</b> | <b>Computers</b> | <b>Total</b>     |                       |  |
| <b>At 1st April, 2016 (Original Cost)</b>     | 1,177.89                           | 1,232.56                | 187.65                      | 7,692.01                     | 72.90                           | 144.71          | 81.68                    | 69.92            | 10,659.31        |                       |  |
| Adjustment due to revaluation at FMV          | 4,472.11                           | (48.41)                 | (75.37)                     | -                            | -                               | -               | -                        | -                | 4,348.33         |                       |  |
| Deferment of Govt. grants                     | -                                  | -                       | -                           | 85.50                        | -                               | -               | -                        | -                | 85.50            |                       |  |
| Additions/ Disposals                          | 13.23                              | 314.89                  | -                           | 2,701.61                     | 0.44                            | (21.85)         | 1.24                     | 0.81             | 3,010.38         |                       |  |
| <b>At 31st March, 2017</b>                    | <b>5,663.23</b>                    | <b>1,499.04</b>         | <b>112.27</b>               | <b>10,479.13</b>             | <b>73.34</b>                    | <b>122.86</b>   | <b>82.93</b>             | <b>70.73</b>     | <b>18,103.52</b> |                       |  |
| Addition                                      | -                                  | 21.46                   | 2.76                        | 47.44                        | 0.99                            | 13.43           | 6.43                     | 4.26             | 96.77            |                       |  |
| Disposals                                     | -                                  | -                       | -                           | 19.45                        | -                               | 0.78            | -                        | -                | 20.23            |                       |  |
| <b>At 31st March, 2018</b>                    | <b>5,663.23</b>                    | <b>1,520.50</b>         | <b>115.03</b>               | <b>10,507.11</b>             | <b>74.34</b>                    | <b>135.51</b>   | <b>89.36</b>             | <b>74.99</b>     | <b>18,180.06</b> |                       |  |
| <b>Accumulated Depreciation</b>               |                                    |                         |                             |                              |                                 |                 |                          |                  |                  |                       |  |
| <b>At 1st April, 2016</b>                     |                                    | 767.57                  | 48.85                       | 5,477.72                     | 62.34                           | 120.84          | 69.49                    | 67.10            | 6,613.91         |                       |  |
| charge for the year                           | -                                  | 43.45                   | 13.48                       | 220.61                       | 2.47                            | 7.18            | 4.40                     | 0.88             | 292.48           |                       |  |
| Disposals/deductions/adjustment               | -                                  | 4.78                    | 7.31                        | (11.47)                      | -                               | 19.50           | -                        | -                | 20.13            |                       |  |
| <b>At 31st March, 2017</b>                    | <b>-</b>                           | <b>806.24</b>           | <b>55.02</b>                | <b>5,709.80</b>              | <b>64.81</b>                    | <b>108.52</b>   | <b>73.88</b>             | <b>67.98</b>     | <b>6,886.26</b>  |                       |  |
| charge for the year                           | -                                  | 66.78                   | 5.64                        | 515.21                       | 1.72                            | 6.81            | 3.58                     | 1.97             | 601.71           |                       |  |
| Disposals/deductions/adjustment               | -                                  | -                       | -                           | 13.44                        | (0.99)                          | 0.73            | -                        | -                | 13.18            |                       |  |
| <b>At 31st March, 2018</b>                    | <b>-</b>                           | <b>873.03</b>           | <b>60.66</b>                | <b>6,211.57</b>              | <b>67.52</b>                    | <b>114.60</b>   | <b>77.46</b>             | <b>69.94</b>     | <b>7,474.78</b>  |                       |  |
| <b>Net Carrying Value</b>                     |                                    |                         |                             |                              |                                 |                 |                          |                  | -                |                       |  |
| <b>At 1st April, 2016</b>                     | <b>5,650.00</b>                    | <b>416.58</b>           | <b>63.42</b>                | <b>2,299.79</b>              | <b>10.56</b>                    | <b>23.86</b>    | <b>12.20</b>             | <b>2.81</b>      | <b>8,479.23</b>  |                       |  |
| <b>At 31st March, 2017</b>                    | <b>5,663.23</b>                    | <b>692.80</b>           | <b>57.25</b>                | <b>4,769.33</b>              | <b>8.53</b>                     | <b>14.34</b>    | <b>9.05</b>              | <b>2.75</b>      | <b>11,217.26</b> |                       |  |
| <b>At 31st March, 2018</b>                    | <b>5,663.23</b>                    | <b>647.47</b>           | <b>54.37</b>                | <b>4,295.54</b>              | <b>6.82</b>                     | <b>20.91</b>    | <b>11.90</b>             | <b>5.05</b>      | <b>10,705.28</b> |                       |  |

**Note : 3 (a) Intangible Assets**
**(Rs. In lakhs)**

| <b>Particulars</b>                        | <b>Intangible Assets</b> |
|-------------------------------------------|--------------------------|
| <b>At 1st April ,2016 (Original Cost)</b> | <b>29.29</b>             |
| Additions/ (Disposals)                    | -                        |
| <b>At 31st March ,2017</b>                | <b>29.29</b>             |
| Additions/ (Disposals)                    | 0.35                     |
| <b>At 31st March ,2018</b>                | <b>29.64</b>             |
| <b><u>Accumulated Depreciation</u></b>    |                          |
| <b>At 1st April ,2016</b>                 | <b>29.17</b>             |
| charge for the year                       | 0.08                     |
| Disposals/deductions/adjustment           | -                        |
| <b>At 31st March ,2017</b>                | <b>29.25</b>             |
| charge for the year                       | 0.04                     |
| Disposals/deductions/adjustment           | -                        |
| <b>At 31st March ,2018</b>                | <b>29.28</b>             |
| <b><u>Net Carrying Value</u></b>          |                          |
| <b>At 1st April ,2016</b>                 | <b>0.13</b>              |
| <b>At 31st March ,2017</b>                | <b>0.05</b>              |
| <b>At 31st March ,2018</b>                | <b>0.36</b>              |

(Rs. In lakhs)

| Note: 4 - Investments                                                                                                                                          | 31-Mar-18       | 31-Mar-17       | 01-Apr-16       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| <b><u>Investment in Subsidiaries / others - Unquoted</u></b>                                                                                                   |                 |                 |                 |
| Investment in Unquoted Equity Instruments in Subsidiaries :                                                                                                    |                 |                 |                 |
| <b>Badarpur Energy Private Limited</b><br>49,63,340 (49,63,340 as at 31.03.17, 49,63,340 as at 31.03.2016)<br>Equity Shares of Rs 10/- each fully paid up.     | -               | -               | -               |
| <b>Cement International Limited</b><br>9,92,700 (9,92,700 as at 31.03.2017, 9,92,700 as at 31.03.2016)<br>Equity Shares of Rs 10 each fully paid up.           | 456.07          | 456.07          | 456.07          |
| <b>Meghalaya Minerals &amp; Mines Limited</b><br>14,90,000 (14,90,000 as at 31.03.17, 14,90,000 as at 31.03.2016)<br>Equity Share of Rs 10 each fully paid up. | 405.92          | 405.92          | 405.92          |
| <b>Goombira Tea Company Ltd.</b><br>51,35,269 (42,35,269 as at 31.03.17, 37,04,500 as at 31.03.16)<br>Equity Share of Rs 1 each fully paid up.                 | 1,532.59        | 1,217.59        | 1,182.49        |
| Chargolla Tea Company Pvt. Ltd.<br>7,42,000 (7,42,000 as at 31.03.17, 7,42,000 as at 31.03.16)<br>Equity Share of Rs 1 each fully paid up.                     | 161.41          | 161.41          | 161.41          |
| <b>Singlacherra Tea Company Pvt. Ltd.</b><br>7,62,900 (7,40,900 as at 31.03.17, 7,40,900 as at 31.03.16)<br>Equity Share of Rs 1 each fully paid up.           | 282.71          | 262.91          | 262.91          |
| <b>Valley Strong Cements (Assam) Ltd.</b><br>4,74,250 (4,74,250 as at 31.03.17, 4,74,250 as at 31.03.16)<br>Equity Share of Rs 10 each fully paid up.          | 387.90          | 387.90          | 387.90          |
| <b><u>Investment in Others (Unquoted) - non current :</u></b>                                                                                                  |                 |                 |                 |
| Investments in unquoted equity instruments at FVTPL                                                                                                            |                 |                 |                 |
| <b>North East Power &amp; Infra Limited</b><br>1,80,000 (1,80,000 as at 31.03.17, 180,000 as at 31.03.2016)<br>Equity Share of Rs 10 each fully paid up.       | 12.15           | 11.87           | 20.87           |
| <b>Total</b>                                                                                                                                                   | <b>3,238.75</b> | <b>2,903.67</b> | <b>2,877.57</b> |
| Total non - current investments                                                                                                                                |                 |                 |                 |
| Aggregate amount of Quoted investment                                                                                                                          | -               | -               | -               |
| Aggregate amount of Unquoted investments                                                                                                                       | 3,238.75        | 2,903.67        | 2,877.57        |
|                                                                                                                                                                | <b>3,238.75</b> | <b>2,903.67</b> | <b>2,877.57</b> |

| Note: 5 Other financial assets - Non Current | 31-Mar-18     | 31-Mar-17     | 01-Apr-16     |
|----------------------------------------------|---------------|---------------|---------------|
| <b>Security deposits</b>                     |               |               |               |
| Unsecured, considered good                   | 228.02        | 223.17        | 222.66        |
|                                              | <b>228.02</b> | <b>223.17</b> | <b>222.66</b> |



(Rs. In lakhs)

| <b>Note: 6 - Deferred tax assets (net)</b>                               | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------------|------------------|------------------|------------------|
| <b><u>Deferred Tax Assets</u></b>                                        |                  |                  |                  |
| - MAT Credit entitlement                                                 | 441.53           | 423.34           | 368.46           |
| - Staff Leave encashment and gratuity                                    | 5.13             | (8.69)           | 31.59            |
|                                                                          | <b>446.65</b>    | <b>414.65</b>    | <b>400.05</b>    |
| <b><u>Deferred Tax liability</u></b>                                     |                  |                  |                  |
| - Impact of difference between tax depreciation and depreciation charged | 225.70           | 195.67           | 127.47           |
| - Tax effect of Other Comprehensive Income                               | (1.81)           | (1.90)           | 0.89             |
|                                                                          | <b>223.89</b>    | <b>193.77</b>    | <b>128.35</b>    |
|                                                                          |                  |                  |                  |
| <b>Net deferred tax (assets)/liability</b>                               | <b>222.76</b>    | <b>220.88</b>    | <b>271.70</b>    |

| <b>Note: 7 - Other non-current assets</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-------------------------------------------|------------------|------------------|------------------|
| <b><u>Unsecured, Considered Good</u></b>  |                  |                  |                  |
| Capital advances                          | 262.69           | 262.64           | 262.44           |
|                                           | <b>262.69</b>    | <b>262.64</b>    | <b>262.44</b>    |

| <b>Note: 8 - Inventories</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|------------------------------|------------------|------------------|------------------|
| Raw Materials and components | 194.64           | 139.69           | 107.30           |
| Work - In - Progress         | 6.27             | 37.68            | 116.40           |
| Finished Goods               | 61.42            | 94.64            | 202.07           |
| Packing Material             | 27.68            | 4.14             | 40.61            |
| Stores & Spares parts        | 669.28           | 388.76           | 569.01           |
|                              | <b>959.28</b>    | <b>664.91</b>    | <b>1,035.39</b>  |

| <b>Note: 9 - Trade receivables</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|------------------------------------|------------------|------------------|------------------|
| Secured, considered good           | 254.63           | 107.67           | 90.52            |
| Unsecured, considered good         | 1,194.51         | 994.11           | 1,119.42         |
| <b>Total Trade receivables</b>     | <b>1,449.14</b>  | <b>1,101.78</b>  | <b>1,209.94</b>  |

| <b>Note: 10 - Cash and cash equivalents</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------|------------------|------------------|------------------|
| Cash in hand                                | 33.81            | 25.53            | 18.54            |
| Cheques in hand                             | 51.83            | 376.74           | 178.91           |
| Balance with Banks                          |                  |                  |                  |
| - In current accounts                       | 65.61            | 257.53           | 16.23            |
|                                             | <b>151.25</b>    | <b>659.79</b>    | <b>213.68</b>    |

| <b>Note: 11 - Other - Bank balances other than above</b>                                                           | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months * | 97.18            | 67.40            | 9.88             |
|                                                                                                                    | <b>97.18</b>     | <b>67.40</b>     | <b>9.88</b>      |

\* The bank balance disclosed above represents margin money against bank guarantee and therefore not available for general use by the Company.

(Rs. In lakhs)

| <b>Note: 12 - Loans</b>                                               | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------------------------------|------------------|------------------|------------------|
| Loans and advances to related parties<br>(Unsecured, Considered Good) | 119.52           | 595.01           | 517.89           |
|                                                                       | <b>119.52</b>    | <b>595.01</b>    | <b>517.89</b>    |

| <b>Note: 13 - Other financial assets</b>                         | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|------------------------------------------------------------------|------------------|------------------|------------------|
| -Gaurantee Income receivable from Subsidiaries                   | 90.20            | 58.86            | 29.57            |
| -Advances to employees                                           | 21.80            | 11.13            | 10.85            |
| -Subsidies /incentives receivable from central/state governments | 443.59           | 1,333.02         | 1,301.98         |
|                                                                  | <b>555.59</b>    | <b>1,403.02</b>  | <b>1,342.40</b>  |

| <b>Note: 14 - Other current assets</b>                   | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------------|------------------|------------------|------------------|
| Unsecured, considered good                               |                  |                  |                  |
| -Advances to suppliers                                   | 613.82           | 279.99           | 156.15           |
| -Balances with statutory/government authorities          | 1,017.33         | 813.16           | 718.52           |
| -Advances for services & expenses                        | 50.90            | 23.89            | 16.17            |
| -Advance income tax (net of tax provision including MAT) | -                | -                | 19.06            |
|                                                          | <b>1,682.05</b>  | <b>1,117.04</b>  | <b>909.91</b>    |

| <b>Note: 15 - Equity share capital</b>                                                                                                                                                     | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Authorised Capital</b><br>{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2017, 2,50,00,000 as at 31.03.2016) of Rs. 10/- each}                                                     | 2,500.00         | 2,500.00         | 2,500.00         |
| <b>Issued, Subscribed, Called &amp; fully Paid -up shares</b><br>{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.2017, 2,21,60,000 as at 31.03.2016) of Rs. 10/- each, fully paid up.} | 2,216.00         | 2,216.00         | 2,216.00         |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

|                                    | <b>(No. In lakhs)</b> |                      |                      |
|------------------------------------|-----------------------|----------------------|----------------------|
| <b>Equity Shares</b>               | <b>No. of Shares</b>  | <b>No. of Shares</b> | <b>No. of Shares</b> |
| At the beginning of the year       | 221.60                | 221.60               | 221.60               |
| Issued during the year             | -                     | -                    | -                    |
| Outstanding at the end of the year | 221.60                | 221.60               | 221.60               |

 (b) **Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

 © **Details of Shareholders holding more than 5% shares in the company**

(No. In lakhs)

| <b>Name of the Shareholders</b> | <b>No. of Shares/<br/>% of holding</b> | <b>No. of Shares/<br/>% of holding</b> | <b>No. of Shares/<br/>% of holding</b> |
|---------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Sh. Bijay Kumar Garodia         | 21.63<br>9.76%                         | 21.63<br>9.76%                         | 21.63<br>9.76%                         |
| Sh. Prahlad Rai Chamaria        | 19.85<br>8.96%                         | 19.85<br>8.96%                         | 19.85<br>8.96%                         |
| Sh. Santosh Kumar Bajaj         | 18.85<br>8.50%                         | 18.85<br>8.50%                         | 18.85<br>8.50%                         |
| Sh. Mahendra Kumar Agarwal      | 14.76<br>6.66%                         | 14.77<br>6.66%                         | 14.77<br>6.66%                         |

(Rs. In lakhs)

| <b>Note - 16 Other Equity</b>                          | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|--------------------------------------------------------|------------------|------------------|
| <b>Securities Premium Account</b>                      |                  |                  |
| Opening Balance                                        | 1,514.40         | 1,514.40         |
| Addition/(deduction) during the year                   | -                | -                |
|                                                        | <b>1,514.40</b>  | <b>1,514.40</b>  |
| <b>General Reserve</b>                                 |                  |                  |
| Opening Balance                                        | 397.29           | 397.29           |
| Addition/(deduction) during the year                   | -                | -                |
|                                                        | <b>397.29</b>    | <b>397.29</b>    |
| <b>Retained Earnings</b>                               |                  |                  |
| Opening Balance                                        | 3,749.38         | 3,598.32         |
| Profit / (Loss) for the year                           | 282.91           | 150.39           |
| Add: Other comprehensive income/ (Loss) (net of taxes) | 0.19             | (6.22)           |
| Add: impact of deferred tax/ others                    | -                | 6.89             |
| <b>Total Retained earnings</b>                         | <b>4,032.48</b>  | <b>3,749.38</b>  |
| <b>Total Other Equity</b>                              | <b>5,944.17</b>  | <b>5,661.06</b>  |

**Nature and purpose of reserves :**

- Securities Premium : At the time of Initial Public Offer, the excess of issue price of shares over the face value of shares issued, minus expenditure incurred on issuance of shares is treated as Securities Premium.
- General Reserve : The company had transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956.
- Retained Earnings : Retained Earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the the shareholders of the company.

(Rs. In lakhs)

| <b>Note: 17 - Borrowings</b>                                    | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------------------------|------------------|------------------|------------------|
| <b>Term loans (secured)</b>                                     |                  |                  |                  |
| Rupee loans from banks                                          | -                | -                | 305.56           |
| Rupee loans from a financial institution [Refer note (i) below] | 968.22           | 1,062.01         | 936.86           |
| Rupee loan from body corporates [Refer note (ii) below]         | 2,175.85         | 1,914.97         | 620.62           |
| Loans from related parties (unsecured) (Refer note (iii) below) | 880.25           | 485.95           | 51.72            |
| <b>Other loans (secured)</b>                                    |                  |                  |                  |
| - 'Hire purchase finance from banks ([Refer note (iv) below)    | 5.96             | -                | 1.12             |
|                                                                 | <b>4,030.27</b>  | <b>3,462.94</b>  | <b>1,915.87</b>  |
| Less: Current maturities of long term borrowings                | (325.94)         | (275.00)         | (743.54)         |
|                                                                 | <b>3,704.33</b>  | <b>3,187.94</b>  | <b>1,172.33</b>  |

- Rupee Term Loans (RTL) of Rs. 968.22 lakhs (last year : Rs. 1062.01 lakhs) from a financial institution is consisting of two loans (i) Rs. 199.98 lakhs (sanctioned amount Rs. 2000 lakhs) which is repayable in monthly instalments of Rs. 25.00 lakhs and (ii) Rs. 768.24 lakhs (sanctioned amount Rs. 800 lakhs) which is repayable from April' 2018 in quarterly installments of Rs. 30.77 lakhs. The loan is secured by first charge on land, building including civil structure of the company's assets and extension of first charge on plant and machinery, fixed and immovable assets of the company on pari-passu basis with IDBI Bank. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.
- Term Loans from related parties are long term in nature.
- Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within three to four years.

(Rs. In lakhs)

| <b>Note: 18 Other financial liabilities</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------|------------------|------------------|------------------|
| -Security Deposit                           | 502.78           | 486.55           | 616.69           |
|                                             | <b>502.78</b>    | <b>486.55</b>    | <b>616.69</b>    |

| <b>Note: 19 - Employee benefit obligations</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|------------------------------------------------|------------------|------------------|------------------|
| Provisions for employee benefits               |                  |                  |                  |
| - Leave encashment                             | 13.34            | 8.34             | 24.40            |
| - Gratuity                                     | 53.05            | 44.35            | 40.61            |
|                                                | <b>66.39</b>     | <b>52.70</b>     | <b>65.01</b>     |

| <b>Note: 20 Other non current liabilities</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------|------------------|------------------|------------------|
| -Advance Received for Capital Asset           | -                | 200.00           | 200.00           |
| - Deffered Government Grant Income            | 130.43           | 139.75           | 149.06           |
|                                               | <b>130.43</b>    | <b>339.75</b>    | <b>349.06</b>    |

| <b>Note: 21 - Borrowings</b>                             | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------------|------------------|------------------|------------------|
| <i>Secured</i>                                           |                  |                  |                  |
| Working capital facilities from banks (Refer note below) |                  |                  |                  |
| - Cash credit                                            | 2,476.03         | 2,498.96         | 2,749.78         |
|                                                          | <b>2,476.03</b>  | <b>2,498.96</b>  | <b>2,749.78</b>  |

**Notes-**

- (a) Working Capital facilities of Rs. 2,476.03 lacs (31 March 2017: Rs. 2,498.95 Lacs , 1 April 2016: Rs. 2,749.78 lacs) from banks are secured by first charge on current assets of the company and first charge on the fixed assets of the company pari-passu basis with NEDFi, both present and future including mortgage of immovable assets. Working Capital facilities from banks have also been guaranteed by some of the Directors of the company.

| <b>Note: 22 - Other financial liabilities</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------|------------------|------------------|------------------|
| Current maturities of long term borrowings    | 325.94           | 275.00           | 743.54           |
| Interest accrued but not due on borrowings    | -                | 28.66            | 25.80            |
| Interest Accured and due on Borrowing         | 9.98             | 0.04             | 48.03            |
| Other payables :                              |                  |                  |                  |
| -Provision for Selling and other expenses     | 44.27            | 111.96           | 97.12            |
| -Salary and bonus to employees                | 27.71            | 39.71            | 62.31            |
| -Other liabilities                            | 94.54            | 269.75           | 312.39           |
|                                               | <b>502.44</b>    | <b>725.12</b>    | <b>1,289.19</b>  |

| <b>Note: 23 - Employee benefit obligation</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------|------------------|------------------|------------------|
| Provisions for employee benefits :            |                  |                  |                  |
| -Leave encashment                             | 15.58            | 12.67            | 28.46            |
|                                               | <b>15.58</b>     | <b>12.67</b>     | <b>28.46</b>     |

| <b>Note: 24 - Other current liabilities</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------|------------------|------------------|------------------|
| Deferred government grant                   | 9.32             | 9.32             | 9.32             |
| Other payables                              |                  |                  |                  |
| -Statutory liabilities                      | 1,016.64         | 736.28           | 335.73           |
| Advances from customer                      | 127.07           | 1,004.18         | 974.38           |
|                                             | <b>1,153.03</b>  | <b>1,749.78</b>  | <b>1,319.42</b>  |

| <b>Note: 25 - Current tax liabilities (net)</b>    | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------|------------------|------------------|------------------|
| Provision for taxation (net of advance income tax) | 20.57            | 29.40            | -                |
|                                                    | <b>20.57</b>     | <b>29.40</b>     | <b>-</b>         |

(Rs. In lakhs)

| <b>Note: 26 - Revenue from operations</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|-------------------------------------------|------------------|------------------|
| <b><u>Sale of products</u></b>            |                  |                  |
| Domestic Sale                             | 15,178.64        | 12,415.91        |
| <b><u>Other operating income</u></b>      |                  |                  |
| Others                                    | -                | 0.60             |
| <b>Revenue from operation</b>             | <b>15,178.64</b> | <b>12,416.51</b> |

| <b>Note: 27- Other income</b>      | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|------------------------------------|------------------|------------------|
| <b><u>Interest income on:-</u></b> |                  |                  |
| -Bank deposits                     | 4.87             | 17.61            |
| -Gaurantee fee Income              | 31.34            | 29.29            |
| -Amortisation of deferred income   | 9.32             | 9.32             |
| -Other Non Operating income        | 24.76            | 36.77            |
|                                    | <b>70.28</b>     | <b>92.98</b>     |

| <b>Note: 28 -Cost of materials consumed</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|---------------------------------------------|------------------|------------------|
| Inventory at the beginning of the year      | 143.83           | 147.91           |
| Add: Purchases                              | 3,973.88         | 3,472.26         |
|                                             | 4,117.71         | 3,620.16         |
| Less :Inventory at the end of the year      | 222.32           | 143.83           |
| <b>Cost of Materials Consumed</b>           | <b>3,895.40</b>  | <b>3,476.33</b>  |

| <b>Note: 29 - (Increase)/decrease in inventories</b>   | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|--------------------------------------------------------|------------------|------------------|
| <b><u>Inventories at the end of the year</u></b>       |                  |                  |
| Work -in -Progress                                     | 6.27             | 37.68            |
| Finished Goods                                         | 61.42            | 94.64            |
|                                                        | 67.68            | 132.32           |
| <b><u>Inventories at the beginning of the year</u></b> |                  |                  |
| Work -in -Progress                                     | 37.68            | 116.40           |
| Finished Goods                                         | 94.64            | 202.07           |
|                                                        | 132.32           | 318.47           |
| <b><u>(Increase) /Decrease in inventories</u></b>      | <b>64.64</b>     | <b>186.15</b>    |

| <b>Note: 30 - Employee benefit expenses</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|---------------------------------------------|------------------|------------------|
| Salaries, Wages & other manpower expenses   | 968.14           | 776.66           |
| Contribution to Provident and other funds   | 22.66            | 19.84            |
| Gratuity Expenses                           | 8.61             | 9.01             |
| Staff welfare expenses                      | 27.32            | 31.97            |
|                                             | <b>1,026.72</b>  | <b>837.49</b>    |

| <b>Note: 31 - Finance costs</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|---------------------------------|------------------|------------------|
| Interest expense                |                  |                  |
| -On Term loans                  | 124.72           | 95.70            |
| -On Working Capital             | 493.98           | 298.32           |
| Other finance costs             | 311.18           | 147.33           |
|                                 | <b>929.88</b>    | <b>541.34</b>    |

(Rs. In lakhs)

| <b>Note: 32 - Depreciation and amortization expenses</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|----------------------------------------------------------|------------------|------------------|
| Deprecation on tangible Assets *                         | 601.71           | 291.85           |
| Amortisation of intangible Assets                        | 0.04             | 0.08             |
|                                                          | <b>601.74</b>    | <b>291.93</b>    |

Note : During FY 2016-17, depreciation is inclusive of amortisation of govt. grants amounting to Rs. 11.46 lacs and net -off Rs. 12.09 lacs due to revaluation of Building at FMV.

| <b>Note: 33 - Other expenses</b>                    | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|-----------------------------------------------------|------------------|------------------|
| Consumption of Stores & Spare parts                 | 266.47           | 242.01           |
| Power & Fuel                                        | 4,247.39         | 2,952.21         |
| Rent                                                | 32.17            | 31.28            |
| <u>Repairs &amp; Maintenance</u>                    |                  |                  |
| - Building                                          | 5.85             | 3.17             |
| - Plant & Machinery                                 | 79.63            | 31.01            |
| - Others                                            | 7.96             | 4.31             |
| Vehicle running, maintenance & hire charges         | 15.88            | 26.33            |
| Printing, Stationery & Computer expenses            | 13.00            | 10.35            |
| Material Handling & Freight Charges                 | 113.47           | 105.82           |
| Travelling and Conveyance                           | 48.22            | 47.97            |
| Insurance expenses (net)                            | 18.88            | 19.87            |
| Rates & Taxes                                       | 14.54            | 4.44             |
| Research & Development Expenses                     | 0.22             | 0.35             |
| Auditor's Remuneration                              | 2.50             | 1.50             |
| Sundry advances written off                         | (5.35)           | 1.29             |
| Director's Remuneration                             | 24.00            | 24.00            |
| Charity & Donation                                  | 28.71            | 1.66             |
| Miscellaneous Expenses                              | 90.71            | 57.30            |
| Outward transportation cost                         | 3,009.28         | 3,056.08         |
| Advertisement, Publicity & Sales Promotion Expenses | 140.27           | 119.71           |
| Telephone expenses                                  | 16.63            | 13.02            |
|                                                     | <b>8,170.44</b>  | <b>6,753.69</b>  |

### (34) Earnings per share:

Earnings Per Share (EPS) for the year ended 31<sup>st</sup> March 2018 is calculated as under:

(Rs. In akhs)

|     |                                                                                              | <b>2017 - 2018</b> | <b>2016 - 2017</b> |
|-----|----------------------------------------------------------------------------------------------|--------------------|--------------------|
| (a) | Profit / (Loss) attributable to Equity Shareholders of the company (In Lakh Rs.)             | <b>282.91</b>      | 150.39             |
| (b) | The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS (In No.'s) | <b>2,21,60,000</b> | 2,21,60,000        |
| (c) | Face value per Ordinary Share.(In Rs.)                                                       | <b>10.00</b>       | 10.00              |
| (d) | Earnings Per Share - Basic & Diluted (In Rs.)                                                | <b>1.28</b>        | 0.68               |

### (35) Capital Commitments

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to 20.25 Lakhs (Rs. 516.13 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 31.89 Lakhs as at 31<sup>st</sup> March' 2016)

**(36) Contingent liabilities not provided for:**

- (a) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 3,133.92 Lakhs (Rs. 3,519.64 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 3,447.71 Lakhs as at 31<sup>st</sup> March' 2016)
- (b) Claims against the company not acknowledged as debts: Disputed demands of Entry – tax /Income –Tax matters pending before the Appellate Authorities: Rs. 90.79 Lakhs (Rs.259.92 lakhs as at 31<sup>st</sup> March' 2017 and 31<sup>st</sup> March' 2016)
- (c) Fixed Deposit Receipts pledged with the banks / others: Rs. 92.69 Lakhs (Rs. 64.70 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 7.73 Lakhs as at 31<sup>st</sup> March' 2016)

**(37) Payment made to Auditor's during the year ended is as under: -**

|                                  | <u>2017-2018</u>    | <u>2016-2017</u>    |
|----------------------------------|---------------------|---------------------|
| a. Statutory audit fees          | Rs. 1,75,000        | Rs. 95,000          |
| b. Tax Audit fees                | Rs. 50,000          | Rs. 35,000          |
| c. Company Law and other matters | Rs. <u>25,000</u>   | Rs. <u>20,000</u>   |
| Total                            | Rs. <u>2,50,000</u> | Rs. <u>1,50,000</u> |

- (38) There are no Micro, Small and Medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information/ documents available with the company.

**(39) Assets pledged as Security: The carrying amount of assets pledged as security for borrowings are as under:**

(Rs. In lakhs)

| Particulars                                 | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 | 01 <sup>st</sup> April, 2016 |
|---------------------------------------------|------------------------------|------------------------------|------------------------------|
| (I) First charge on Current Assets :        |                              |                              |                              |
| (i) Inventory                               | 959.28                       | 664.91                       | 1035.39                      |
| (ii) Trade Receivable                       | 1449.14                      | 1101.78                      | 1209.94                      |
| (iii) Cash and cash equivalents             | 151.25                       | 659.79                       | 213.68                       |
| (iv) Other bank balances                    | 97.18                        | 67.40                        | 9.88                         |
| (v) Loans/ other financial assets           | 231.52                       | 665.01                       | 558.30                       |
| (vi) Other current assets                   | 2125.64                      | 2450.06                      | 2211.89                      |
| <b>Total Current assets</b>                 | <b>5,014.01</b>              | <b>5,608.96</b>              | <b>5,239.09</b>              |
| (II) First charge on Non – Current Assets : |                              |                              |                              |
| (i) Property, plant and equipments          | 10,973.68                    | 11,297.36                    | 8,479.35                     |
| <b>Total Non -Current assets</b>            | <b>10,973.68</b>             | <b>11,297.36</b>             | <b>8,479.35</b>              |
| <b>Total Assets pledged as security</b>     | <b>15,987.69</b>             | <b>16,906.32</b>             | <b>13,718.44</b>             |

**(40). Employee Defined Benefits:**
**(i) Leave Obligations :**

Under leave encashment scheme, the company allows its employees to en-cash accumulated leave over and above thirty days. So, accumulated leave encashment liability for up to 30 days period is classified as non-current liability and over the period of 30 days is covered under current liability. Non-current liability of leave encashment is discounted @ 9% and carried at current cost in the financial statements and resultant variation is accounted for in the finance cost / employee benefit expenses of the profit and loss statement.

**(ii) Gratuity :**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less than the provisions of the Payment of Gratuity Act, 1972.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(Rs. In lakhs)

| <u>Particulars</u>                                | <u>Present value of obligation</u> | <u>Net amount</u> |
|---------------------------------------------------|------------------------------------|-------------------|
| <b>Opening as on 01<sup>st</sup> April' 2016</b>  | <b>40.61</b>                       | <b>40.61</b>      |
| Current Service Cost                              | 5.79                               | 5.79              |
| Interest expenses/ (income)                       | 1.38                               | 1.38              |
| Actuarial gain/ loss                              | 1.84                               | 1.84              |
| <b>Total amount recognized in profit and loss</b> | <b>9.01</b>                        | <b>9.01</b>       |
| Benefits paid                                     | (5.27)                             | (5.27)            |
| Disposal / Transfer of obligation                 | --                                 | --                |
| <b>Closing as on 31<sup>st</sup> March' 2017</b>  | <b>44.35</b>                       | <b>44.35</b>      |

| <u>Particulars</u>                                | <u>Present value of obligation</u> | <u>Net amount</u> |
|---------------------------------------------------|------------------------------------|-------------------|
| <b>Opening as on 01<sup>st</sup> April' 2017</b>  | <b>44.35</b>                       | <b>44.35</b>      |
| Current Service Cost                              | 4.71                               | 4.71              |
| Interest expenses/ (income)                       | 1.21                               | 1.21              |
| Actuarial gain/ loss                              | 2.69                               | 2.69              |
| <b>Total amount recognized in profit and loss</b> | <b>8.61</b>                        | <b>8.61</b>       |
| Benefits paid                                     | (4.63)                             | (4.63)            |
| Disposal / Transfer of obligation                 | 4.72                               | 4.72              |
| <b>Closing as on 31<sup>st</sup> March' 2018</b>  | <b>53.05</b>                       | <b>53.05</b>      |

The significant actuarial assumptions were as follows :

| <u>Particulars</u>                 | <u>31<sup>st</sup> March' 2018</u> | <u>31<sup>st</sup> March' 2017</u> |
|------------------------------------|------------------------------------|------------------------------------|
| <b>Discount Rate</b>               | <b>7.50 %</b>                      | <b>7.50%</b>                       |
| Salary Escalation                  | 3.00 %                             | 3.00 %                             |
| Withdrawal Rate (depending on age) | 1% to 3%                           | 1% to 3%                           |
| Mortality Rate                     | LIC (2006-2008) ultimate           | LIC (2006-2008) ultimate           |



**(iii) Risk Exposure:**

Through its defined benefit plans the Company is exposed to a number of risks, significant of which are as follows:

- (a) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.
  - (b) Interest Risk: A decrease in the interest rate on plan assets will increase the plan liability.
  - (c) Life Expectancy: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
  - (d) Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.
- (iv) The company has recognized expenses of Rs. 22.66 lakhs (Rs. 19.84 lakhs as at 31<sup>st</sup> March, 2017) towards the defined contribution plan.

**(41) Financial instruments by category**
**(Rs. In lakhs)**

| Particulars                      | 31st March, 2018 |              |                  | 31st March, 2017 |              |                  | 31st March, 2016 |              |                 |
|----------------------------------|------------------|--------------|------------------|------------------|--------------|------------------|------------------|--------------|-----------------|
|                                  | FVPL             | FVOCI        | Amortised cost   | FVPL             | FVOCI        | Amortised cost   | FVPL             | FVOCI        | Amortised cost  |
| <b>Financial Assets :</b>        |                  |              |                  |                  |              |                  |                  |              |                 |
| Investment in equity instruments | -                | 12.15        | -                | -                | 11.87        | -                | -                | 20.87        | -               |
| Security Deposits                | -                | -            | 228.02           | -                | -            | 223.17           | -                | -            | 222.66          |
| Trade Receivables                | -                | -            | 1,449.14         | -                | -            | 1,101.78         | -                | -            | 1,209.94        |
| Cash and cash equivalents        | -                | -            | 151.25           | -                | -            | 659.79           | -                | -            | 213.68          |
| Balance with banks               | -                | -            | 97.18            | -                | -            | 67.40            | -                | -            | 9.88            |
| Recoverable from related parties | -                | -            | 119.52           | -                | -            | 595.01           | -                | -            | 517.89          |
| Other financial assets           | -                | -            | 555.59           | -                | -            | 1,403.02         | -                | -            | 1,342.40        |
|                                  | -                | <b>12.15</b> | <b>2,600.70</b>  | -                | <b>11.87</b> | <b>4,050.17</b>  | -                | <b>20.87</b> | <b>3,516.45</b> |
| <b>Financial Liabilities :</b>   |                  |              |                  |                  |              |                  |                  |              |                 |
| Borrowings                       | -                | -            | 6,180.36         | -                | -            | 5,686.90         | -                | -            | 3,922.11        |
| Security Deposit                 | -                | -            | 502.78           | -                | -            | 486.55           | -                | -            | 616.69          |
| Trade payable                    | -                | -            | 3,208.17         | -                | -            | 3,556.76         | -                | -            | 2,036.85        |
| Salary and Bonus to employees    | -                | -            | 27.71            | -                | -            | 39.71            | -                | -            | 62.31           |
| Other Liabilities                | -                | -            | 474.73           | -                | -            | 685.41           | -                | -            | 1,226.88        |
|                                  | -                | -            | <b>10,393.75</b> | -                | -            | <b>10,455.33</b> | -                | -            | <b>7,864.84</b> |

**(42) Capital management**

- (a) Risk Management : The company's objective when managing capital are to :
  - Safeguard their ability to continue as a going concern of the company, so that they can provide returns for shareholders and benefits for other stakeholders
  - Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend to shareholders, return capital to shareholders or issue new shares.

- (b) Dividend: During the year, management of the company has decided not to declare any dividend and accumulated its profits for future projects and consolidates its operating efficiency.

**(43) Related Party disclosures:**

| Name of the related parties where control exists | Nature of relationship |
|--------------------------------------------------|------------------------|
| Meghalaya Minerals & Mines Ltd.                  | Subsidiary Company     |
| Badarpur Energy Pvt. Ltd.                        | Subsidiary Company     |
| Cement International Ltd.                        | Subsidiary Company     |
| Goombira Tea Co. Ltd.                            | Subsidiary Company     |
| Singlacherra Tea Co. Pvt. Ltd.                   | Subsidiary Company     |
| Chargola Tea Co. Pvt. Ltd.                       | Subsidiary Company     |
| Valley Strong Cements (Assam) Ltd.               | Subsidiary Company     |

| Other related parties :                   | Nature of relationship                             |
|-------------------------------------------|----------------------------------------------------|
| <b>(I) Enterprises Influenced by KMP:</b> |                                                    |
| Valley Strong Cements Ltd.                | Enterprises influenced by Key Management personnel |
| Dony Polo Udyog Ltd.                      | Enterprises influenced by Key Management personnel |
| Meghalaya Cements Ltd.                    | Enterprises influenced by Key Management personnel |
| Om Infracon Pvt. Ltd.                     | Enterprises influenced by Key Management personnel |

|                                        | Nature of relationship                                                      |
|----------------------------------------|-----------------------------------------------------------------------------|
| <b>(II) Key Management Personnel :</b> |                                                                             |
| Sh. Kamakhya Chamaria                  | Vice Chairman and Managing Director                                         |
| Sh. Bijay Kumar Garodia                | Director                                                                    |
| Sh. Santosh Kumar Bajaj                | Director                                                                    |
| Sh. Mahendra Kumar Agarwal             | Vice Chairman                                                               |
| Sh. Prahlad Rai Chamaria               | Non- Executive Director                                                     |
| Sh. Tanuj Chamaria                     | Son of Sh. Kamakhya Chamaria, Vice Chairman and Managing Director           |
| Sh. Mukesh Kumar Shovasaria            | Chief Executive Officer                                                     |
| Sh. Sushil Kumar Kothari               | Chief Financial Officer (Resigned w.e.f. 26.02.2018)                        |
| Ms. Saakshi Manchanda                  | Company Secretary (joined w.e.f. 14.11.2016 and resigned w.e.f. 05.07.2018) |

(Rs. In lakhs)

Details of transactions with the related parties are shown as below :

| S. no. | Type of Transaction                                                                                                                                                                                                                                                                                                                      | Subsidiary Companies                                                     |                                                        |                                                     | Other Enterprises influenced by KMP |                  |            | Key Management Personnel / Relatives |                                         |                              |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------|-------------------------------------|------------------|------------|--------------------------------------|-----------------------------------------|------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                          | 2017-18                                                                  | 2016-17                                                | 2015-16                                             | 2017-18                             | 2016-17          | 2015-16    | 2017-18                              | 2016-17                                 | 2015-16                      |
| 1      | Sale of Finished / Semi finished goods :<br>: Cement International Ltd.                                                                                                                                                                                                                                                                  | -                                                                        | 12.27                                                  | 588.72                                              | -                                   | -                | -          | -                                    | -                                       | -                            |
| 2      | Sale of Stores, spares and other services.<br>: Cement International Ltd.<br>: Goombira Tea Co. Ltd.<br>: Chargolla Tea Co. Pvt. Ltd.<br>: Meghalaya Minerals & Mine Ltd.<br>: Badarpur Energy Pvt. Ltd.                                                                                                                                 | 27.01<br>0.26<br>0.02<br>23.65<br>0.47                                   | 11.89<br>3.52<br>0.05<br>19.19<br>0.87                 | 142.94<br>5.40<br>0.06<br>36.61<br>5.95             | -                                   | -                | -          | -                                    | -                                       | -                            |
| 3      | Purchase of Raw Material & goods:<br>: Meghalaya Minerals & Mines Ltd.<br>: Meghalaya Cements Ltd.                                                                                                                                                                                                                                       | 834.00<br>-                                                              | 1,465.88<br>-                                          | 1,352.91<br>-                                       | -                                   | -                | -          | -                                    | -                                       | -                            |
| 4      | Investment in shares :<br>: Goombira Tea Co. Ltd.<br>: Valley Strong Cements (Assam) Ltd.<br>: Singlacheera Tea Co. Pvt. Ltd.                                                                                                                                                                                                            | 315.00<br>-<br>19.80                                                     | 35.10<br>-<br>-                                        | 49.50<br>20.40<br>-                                 | 786.86                              | 1,183.99         | -          | -                                    | -                                       | -                            |
| 5      | Loan & Advances Given / (Recd.):<br>: Badarpur Energy Pvt. Ltd.                                                                                                                                                                                                                                                                          | -                                                                        | 39.78                                                  | 161.87                                              | -                                   | -                | -          | -                                    | -                                       | -                            |
| 6      | Loan /Advances taken/ (Repaid or adjusted) :<br>: Cement International Ltd.<br>: Badarpur Energy Pvt. Ltd.<br>: Goombira Tea Co. Ltd.<br>: Chargolla Tea Co. Pvt. Ltd.<br>: Singlacheera Tea Co. Pvt. Ltd.<br>: Valley Strong Cements Ltd.<br>: Valley Strong Cements (Assam) Ltd.<br>: Dony Polo Udyog Ltd.<br>: Om Infra con Pvt. Ltd. | 441.27<br>(1,753.84)<br>(16.24)<br>4.31<br>(2.25)<br>-<br>1.28<br>-<br>- | -<br>-<br>34.77<br>0.30<br>1.05<br>-<br>1.50<br>-<br>- | -<br>-<br>52.35<br>-<br>0.06<br>-<br>0.79<br>-<br>- | -                                   | -                | -          | -                                    | -                                       | -                            |
| 7      | Remuneration paid to Key Management personnel / their relatives :<br>: Sh. Kamakhya Chamarla<br>: Sh. Tanuj Chamarla<br>: Sh. Amritansh Chamarla<br>: Sh. Mukesh Kumar Shivasaria<br>: Ms. Saakshi Manchanda                                                                                                                             | -                                                                        | -                                                      | -                                                   | (161.77)<br>114.78                  | 317.57<br>116.66 | 51.72<br>- | 24.00<br>13.50<br>-<br>20.28<br>2.98 | 24.00<br>12.00<br>8.75<br>16.08<br>1.05 | 24.00<br>11.00<br>13.75<br>- |

## BARAK VALLEY CEMENTS LIMITED

- (44) The company deals in only one Segment i.e. cement manufacturing and trading which is the only identified operating segment of the company. There is no separate reportable segment as required by Ind AS – 108 “Operating Segments”. The entire revenue of the company has been generated by way of domestic sales.
- (45) Company has received/ recognized Rs. Nil (Rs. 258.84 lakhs as at 31<sup>st</sup> March' 2017, Rs. 89.54 Lakhs as at 01<sup>st</sup> April' 2016) being 50% of company's claim for refund of excise duty as revenue in the books of accounts. Presently matter regarding company's claim for refund of differential Excise Duty is pending before the Hon'ble Supreme Court of India.
- (46) **Financial risk management:** The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

- (a) **Credit Risk** : Credit risk is the risk that counterparty 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 from trade receivables including deposits with banks and financial institutions and other financial instruments.
- (i) **Trade receivables:** Customer credit risk is managed by the company through its established policy, procedures and control relating to customer credit risk management. Trade receivables are non interest bearing and are generally carrying 30-45 days credit term. Outstanding debtors are regularly monitored by the sales and collection team of the company. Further the company receives security deposits from its customers which mitigate the credit risk. The ageing of trade receivables as of balance sheet date is as below:

(Rs. In lakhs)

| Particulars                        | Less than 6 months | More than 6 months and up to 1 year | More than 1 year | Total Net carrying amount of trade Receivables |
|------------------------------------|--------------------|-------------------------------------|------------------|------------------------------------------------|
| As on 31 <sup>st</sup> March, 2018 | 927.15             | 162.78                              | 359.21           | 1449.14                                        |
| As on 31 <sup>st</sup> March, 2017 | 642.80             | 84.81                               | 374.17           | 1101.78                                        |
| As on 01 <sup>st</sup> April, 2016 | 933.62             | 8.68                                | 267.64           | 1209.94                                        |

- (ii) **Financial instruments and deposits:** Credit risk from balance with banks and financial institutions is managed by the finance department of the company. Investments of surplus funds are made only with approved counterparties in accordance with the company's policy. Loans are given to body corporate as per the company policy and the receipt of repayment are reviewed on regular basis. Other financial assets are considered to be of good quality and there is no significant risk.
- (a) **Liquidity Risk** : Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Due to the nature of the underlying business, the company maintains sufficient cash and liquid investments available to meet its obligation. Management of the company regularly monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The company had access to the working capital facilities from the bank amounting Rs. 2,500.00 lakhs (Outstanding balance Rs. 2,476.03 lakhs as at 31<sup>st</sup> March'2018) which are expiring in one year, subject to the renewal of the same by the banking authorities. A part from the working capital facility, company has also following outstanding borrowings from banks and financial institutions:

(Rs. In lakhs)

| Particulars                             | 31 <sup>st</sup> March 2018 | 31 <sup>st</sup> March 2017 | 31 <sup>st</sup> March 2016 |
|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Borrowings                              | 974.18                      | 1,062.01                    | 1,243.53                    |
| Due within next one year (out of above) | 325.94                      | 275.00                      | 743.53                      |

- (a) **Interest rate Risk** : Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As the company's borrowings except borrowing from market are fixed rate borrowings; they are carried out at amortised cost and are not subject to interest rate risk as defined in Ind AS 107.

The exposure of the company's financial liability to interest rate risk is as follows :

**(Rs. In lakhs)**

| <u>Particulars</u>              | <u>31<sup>st</sup> March 2018</u> | <u>31<sup>st</sup> March 2017</u> | <u>31<sup>st</sup> March 2016</u> |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Variable rate(market) borrowing | 3,056.09                          | 2,400.93                          | 672.34                            |
| Fixed rate borrowings           | 974.18                            | 1,062.01                          | 1,243.53                          |
| Total                           | <u>4,030.27</u>                   | <u>3,462.94</u>                   | <u>1,915.87</u>                   |

**(47) First time adoption of Ind AS :**

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2018, the comparative financial statements for the year ended 31<sup>st</sup> March 2017 and in the preparation of opening Ind AS Balance Sheet at 1<sup>st</sup> April, 2016.

In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act (Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Following are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**A.1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP except Land and building that measure as Fair value and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value except Land and building that measure as Fair value.

**A.1.3 Investments in subsidiaries**

In financial statements, a first-time adopter that subsequently measures an investment in a subsidiary at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary.

Accordingly, the Company has elected to measure all of its investment in subsidiary at their previous GAAP carrying value.

## A.2 Ind AS mandatory exceptions

### A.2.1 Estimates

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

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

### A.2.4 Cash flow Statements

The transition from Indian GAAP to Ind AS has no material impact on the Cash flow Statement.

## Reconciliation of Equity

(Rs. In lakhs)

| Particulars                                            | As at 31st March, 2017 | As at 01st April, 2016 |
|--------------------------------------------------------|------------------------|------------------------|
| Total equity (shareholder's fund) as per previous GAAP | 8,476.64               | 8,341.77               |
| Revaluation of PPE as per Ind AS                       | 4,348.33               | 4,348.33               |
| Adjustments in PPE due to Government Grant             | 85.50                  | 85.50                  |
| Deferred income adj. of government grant               | -158.38                | -158.38                |
| Amortisation of government grant                       | 9.32                   | -                      |
| Impairment of financial assets                         | -4,931.51              | -4,931.51              |
| Financial corporate guarantee                          | 58.86                  | 29.57                  |
| Remeasurement of employee benefits                     | 3.30                   | 8.75                   |
| Fair value of equity investments                       | -6.13                  | 2.87                   |
| Impact of depreciation on PPE                          | 0.63                   | -                      |
| Deferred tax asset/ (liability) on adjustments         | -9.49                  | -0.89                  |
| Total adjustments                                      | -599.58                | -615.76                |
| <b>Total Equity as per Ind AS</b>                      | <b>7,877.06</b>        | <b>7,726.00</b>        |

**Reconciliation of total comprehensive income as at 31st March, 2017**

(Rs. In lakhs)

| Particulars                                     | As at 31st March, 2017 |
|-------------------------------------------------|------------------------|
| Profit as per previous Indian GAAP              | 134.88                 |
| Amortisation of government grant                | 9.32                   |
| Financial Corporate guarantee income            | 29.29                  |
| Remeasurement of employee benefits              | -5.45                  |
| Impact of depreciation on PPE                   | 0.63                   |
| Tax impact on adjustments                       | -18.27                 |
| <b>Profit after tax as per Ind AS</b>           | <b>150.39</b>          |
| Other comprehensive (net of tax)                | -6.22                  |
| <b>Total Comprehensive income as per Ind AS</b> | <b>144.17</b>          |

Notes to first-time adoption:
**Note 1: Property, plant and equipment**

Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value except Land and building that measure as Fair value and the difference of the same are recognized in retained earnings.

**Note 2 : Government grant**

As per Ind AS 20, government grants related to assets, shall be presented in the Balance Sheet by setting up the grant as deferred income. Hence the Company has accounted the government grant received towards assets as per the requirement of Ind AS 20 by creating a deferred government grant. In subsequent year this deferred government grant has been amortised over the useful life of the assets

**Note 3 : Impairment of financial assets**

The company has impaired its investment in and Loan given to one of its subsidiary company according to the accounting policies related to impairment of financial assets in Note 2. Hence the company has written off its investment and Loan given to its subsidiary company and recognized in retained earnings.

**Note 4 : Financial Corporate Guarantee Contract**

The Company has given guarantee on behalf of its subsidiary. As per Ind AS 109, the Company has recognised a guarantee fee income for giving guarantee on behalf of subsidiary for loans taken by subsidiaries

**Note 5 : Employee benefit obligation**

In accordance with Ind AS "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in profit or loss.

**Note 6: Investments in equity shares**

The Company holds investment in equity shares of entities other than in subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost.

As per Ind AS 109, these investments have been measured at fair value. The Company has categorised these investments as fair value through other comprehensive income (FVTOCI) and any changes in fair value of those investment has been recognised in other comprehensive income.

**Note 7: Deferred tax**

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 2, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Note 8 : Retained earnings**

Retained earnings as at 1 April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 9 : Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

- (48) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.
- (49) The financial statements are approved by the Audit Committee at its meeting held on 01<sup>st</sup> June, 2018 and by the Board of Directors on the same date.

In terms of our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To  
The Members of,  
Barak Valley Cements Ltd.  
Guwahati, Assam.

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Barak Valley Cements Limited** ("the Holding Company") and its subsidiaries (together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 31 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated changes in Equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us and other auditors as referred in 'Other Matters' is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the separate financial statement of the subsidiaries as noted below, the consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

## BARAK VALLEY CEMENTS LIMITED

Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2018, their consolidated loss including other comprehensive income, Statement of changes in Equity and its consolidated cash flows for the year ended on that date.

### Emphasis of Matter

- (a) We draw attention to Note 49 to the consolidated financial statements regarding the business operations of 'Badarpur Energy Pvt. Ltd.' a wholly owned subsidiary of the company which are discontinued since July 2014 due to lesser availability of cheaper raw material/ fuel. The Net worth of the company has been fully eroded and having negative net worth of Rs. 295.98 lakhs as at March 31, 2018. Further subsidiary company had incurred a net loss of Rs. 127.96 lakhs during financial year ended 31<sup>st</sup> March' 2018. The company's going concern basis is dependent on continuation of its business operations which are presently stopped since last four years, as stated above.

These conditions indicate the existence of material uncertainty that may cause significant doubt about the subsidiary's ability to continue as a going concern. However, the management of the subsidiary is confident that operation of the subsidiary will start in future.

The consequential effect of the above on the standalone financial results for the year ended March 31, 2018 is not ascertainable and as such cannot be commented upon by us.

- (b) We draw attention to Note 50 to the consolidated financial statements regarding the business operations of 'Cement International Ltd.' wholly owned subsidiary of the company, which are presently halted from June' 2016 onwards, which indicates the factors for impairment of assets of the subsidiary company. However, based on company's future business plans, which have been developed using certain management assumptions and estimates, no impairment has been considered necessary. Our opinion is not modified in respect of this matter.

### Other Matters

- (a) We did not audit the financial statement of all the six subsidiaries i.e. Cement International Ltd., Meghalaya Minerals & Mines Ltd., Badarpur Energy Pvt. Ltd., Goombira Tea Company Ltd., Chargola Tea Company Pvt. Ltd., Singlacheera Tea Company Pvt. Ltd. and Valley Strong Cements (Assam) Ltd. as considered in the consolidated Ind AS financial statements, whose financial statement reflect total assets (net) of Rs. 4,276.88 Lakhs, total revenue of Rs. 760.62 lakhs, total net loss of Rs. 512.24 lakhs for the year ended 31<sup>st</sup> March 2018. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.
- (b) The comparative financial information of the Group for the year ended 31<sup>st</sup> March, 2017 and the transition data opening Balance sheet as at 1<sup>st</sup> April, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting standard) Rules, 2006 audited by the predecessor auditor Kumar Vijay Gupta & Co., whose report has been forwarded to us and as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us.

Our Report is not modified in respect of the above matters with respect of our reliance on the work done and the reports of the other auditors.

### Report on other Legal & Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matters' above, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive

Income), Consolidated Statement of changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the holding company and the report of the statutory auditors of its subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding company and its subsidiary companies, refer to our separate report in 'Annexure A'
- g) With respect to the other matters included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to best of our information and according to the explanation given to us.
  - (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - (ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
  - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding and its subsidiary companies.

**For P. K. Lakhani & Co.,**  
**Chartered Accountants,**  
(Firm Regn. No. : 014682 –N)

**(CA. Anjali Yadav)**  
**Partner**  
**M. No. 519203**

**Place : Gurgaon**  
**Date : 01<sup>st</sup> June, 2018**

**'Annexure – A' to the Auditors' Report**

(Referred to in Paragraph 1(f) under the heading “Report on other Legal and regulatory requirements” of our report of even date)

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the company for the year ended 31<sup>st</sup> March, 2018, we have audited the internal financial controls over financial reporting of **Barak Valley Cements Limited** (“the holding Company”) and its subsidiary companies, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company and its subsidiaries.

**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

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

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P. K. Lakhani & Co.,**  
**Chartered Accountants,**  
(Firm Regn. No. : 014682 –N)

**(CA. Anjali Yadav)**  
**Partner**  
**M. No. 519203**

**Place: Gurgaon,**  
**Date : 01<sup>st</sup> June, 2018**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH' 2018**
**(Rs. In lakhs)**

| Particulars                                       | Notes | 31-Mar-18        | 31-Mar-17        | 1-Apr-16         |
|---------------------------------------------------|-------|------------------|------------------|------------------|
| <b>ASSETS</b>                                     |       |                  |                  |                  |
| <b>(1) Non-current assets</b>                     |       |                  |                  |                  |
| (a) Property, plant and equipment                 | 3     | 19,220.85        | 19,587.13        | 16,753.52        |
| (b) Capital work-in-progress                      |       | 249.58           | 99.79            | 18.53            |
| (c) Intangible assets                             | 3 (a) | 0.36             | 0.05             | 0.13             |
| (d) Intangible assets under development           |       | 40.64            | -                | -                |
| (e) Financial assets :                            |       |                  |                  |                  |
| (i) Loans                                         | 4     | 384.94           | -                | -                |
| (ii) Investments                                  | 5     | 12.15            | 11.87            | 20.87            |
| (iii) Other financial assets                      | 6     | 282.71           | 260.53           | 260.77           |
| (f) Deferred tax assets (net)                     | 7     | 406.61           | 405.21           | 435.56           |
| (g) Other non-current assets                      | 8     | 636.34           | 876.29           | 946.09           |
| <b>Total non-current assets</b>                   |       | <b>21,234.19</b> | <b>21,240.86</b> | <b>18,435.46</b> |
| <b>(2) Current assets</b>                         |       |                  |                  |                  |
| (a) Inventories                                   | 9     | 1,265.42         | 987.66           | 1,319.36         |
| (b) Financial assets :                            |       |                  |                  |                  |
| (i) Trade receivables                             | 10    | 1,575.89         | 1,217.58         | 1,688.86         |
| (ii) Cash and cash equivalents                    | 11    | 179.72           | 697.47           | 317.39           |
| (iii) Other Bank balances (other than (ii) above) | 12    | 104.14           | 105.58           | 13.73            |
| (iv) Loans                                        | 13    | 1.23             | 9.67             | 6.00             |
| (v) Other financial assets                        | 14    | 618.59           | 1,833.95         | 2,196.53         |
| (c) Other current assets                          | 15    | 1,961.73         | 1,481.99         | 1,290.30         |
| <b>Total current assets</b>                       |       | <b>5,706.72</b>  | <b>6,333.91</b>  | <b>6,832.17</b>  |
| <b>Total assets</b>                               |       | <b>26,940.91</b> | <b>27,574.77</b> | <b>25,267.63</b> |
| <b>EQUITY AND LIABILITIES</b>                     |       |                  |                  |                  |
| <b>Equity</b>                                     |       |                  |                  |                  |
| (a) Equity share capital                          | 16    | 2,216.00         | 2,216.00         | 2,216.00         |
| (b) Other equity                                  | 17    | 8,691.88         | 8,919.80         | 9,176.19         |
| <b>Total equity</b>                               |       | <b>10,907.88</b> | <b>11,135.80</b> | <b>11,392.19</b> |
| <b>Liabilities</b>                                |       |                  |                  |                  |
| <b>(1) Non-current liabilities</b>                |       |                  |                  |                  |
| (a) Financial liabilities :                       |       |                  |                  |                  |
| (i) Borrowings                                    | 18    | 5,261.86         | 5,203.89         | 2,946.83         |
| (ii) Other financial liabilities                  | 19    | 502.78           | 505.78           | 693.44           |
| (b) Employee benefit obligations                  | 20    | 69.10            | 56.91            | 73.71            |
| (c) Other non current liabilities                 | 21    | 146.53           | 157.00           | 168.39           |
| <b>Total non-current liabilities</b>              |       | <b>5,980.27</b>  | <b>5,923.57</b>  | <b>3,882.38</b>  |
| <b>(2) Current liabilities</b>                    |       |                  |                  |                  |
| (a) Financial liabilities :                       |       |                  |                  |                  |
| (i) Borrowings                                    | 22    | 4,076.00         | 3,946.31         | 4,132.56         |
| (ii) Trade payables                               |       | 2,737.83         | 3,336.41         | 2,091.16         |
| (iii) Other financial liabilities                 | 23    | 1,488.66         | 1,670.96         | 2,357.97         |
| (b) Employee benefit obligation                   | 24    | 24.43            | 21.54            | 37.70            |
| (c) Other current liabilities                     | 25    | 1,705.28         | 1,510.78         | 1,373.67         |
| (d) Current tax liabilities (net)                 | 26    | 20.57            | 29.40            | -                |
| <b>Total current liabilities</b>                  |       | <b>10,052.77</b> | <b>10,515.40</b> | <b>9,993.06</b>  |
| <b>Total liabilities</b>                          |       | <b>16,033.04</b> | <b>16,438.97</b> | <b>13,875.44</b> |
| <b>Total equity and liabilities</b>               |       | <b>26,940.91</b> | <b>27,574.77</b> | <b>25,267.63</b> |

**Significant accounting policies and notes on accounts 1 & 2**

The accompanying notes 1-54 are an integral part of the financial statements

 As per our report of even date  
**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**(CA. Anjali Yadav)**  
 Partner  
 M.No. 519203

**Gurgaon, 01st June' 2018**
**(Santosh Kumar Bajaj)**  
 Director

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**For & on behalf of the Board of Directors**
**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**(Saakshi Manchanda)**  
 Company Secretary

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2018**
**(Rs. In lakhs)**

| Particulars                                                    | Notes | 31-Mar-18        | 31-Mar-17        |
|----------------------------------------------------------------|-------|------------------|------------------|
| <b>INCOME</b>                                                  |       |                  |                  |
| Revenue from operations                                        | 27    | 15,949.97        | 13,189.00        |
| Other income                                                   | 28    | 59.57            | 65.76            |
| <b>Total revenue</b>                                           |       | <b>16,009.55</b> | <b>13,254.76</b> |
| <b>EXPENSES</b>                                                |       |                  |                  |
| Cost of materials consumed                                     | 29    | 3,076.95         | 2,203.50         |
| (Increase)/decrease in inventories                             | 30    | 96.80            | 143.39           |
| Excise Duty                                                    |       | 206.10           | 163.71           |
| Employee benefit expenses                                      | 31    | 1,397.49         | 1,187.20         |
| Finance costs                                                  | 32    | 1,344.85         | 934.64           |
| Depreciation and amortization expenses                         | 33    | 716.62           | 438.18           |
| Other expenses                                                 | 34    | 9,359.19         | 8,369.17         |
| <b>Total expenses</b>                                          |       | <b>16,197.99</b> | <b>13,439.79</b> |
| <b>Profit / (Loss) before tax</b>                              |       | <b>(188.45)</b>  | <b>(185.03)</b>  |
| <b>Tax expenses</b>                                            |       |                  |                  |
| - Current tax                                                  |       | 73.07            | 54.88            |
| - Reversal of earlier period tax                               |       | (31.90)          | -                |
| - Deferred tax                                                 |       | (1.50)           | 33.13            |
| <b>Total tax expenses</b>                                      |       | <b>39.67</b>     | <b>88.01</b>     |
| <b>Profit / (Loss) for the year</b>                            |       | <b>(228.12)</b>  | <b>(273.04)</b>  |
| <b>Other comprehensive income</b>                              |       |                  |                  |
| Items that will not be reclassified to profit or loss          |       |                  |                  |
| impact of remeasurement of non - current investment            |       | 0.28             | (9.00)           |
| Deferred tax on above                                          |       | 0.09             | (2.78)           |
| <b>Other comprehensive income for the year, net of tax</b>     |       | <b>0.19</b>      | <b>(6.22)</b>    |
| <b>Total comprehensive income for the year</b>                 |       | <b>(227.92)</b>  | <b>(279.26)</b>  |
| <b>Earnings per equity share (Face value of Rs. 10/- each)</b> | 35    |                  |                  |
| Basic earning per share                                        |       | (1.03)           | (1.23)           |
| Diluted earning per share                                      |       | (1.03)           | (1.23)           |

**Significant accounting policies and notes on accounts**

1 &amp; 2

The accompanying notes 1-54 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**
**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**
**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2018**
**(Rs. In lakhs)**

| S.No.     | Particulars                                                           | 31-Mar-18         | 31-Mar-17         |
|-----------|-----------------------------------------------------------------------|-------------------|-------------------|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>                          |                   |                   |
|           | Net Profit/(Loss) before Tax and exceptional items                    | (188.25)          | (191.25)          |
|           | Adjustment for:                                                       |                   |                   |
|           | Add : Depreciation & Misc. expenditure                                | 716.62            | 438.18            |
|           | Interest & finance charges                                            | 1,344.85          | 934.64            |
|           | Operating Profit before working capital changes                       | 1,873.22          | 1,181.58          |
|           | <u>Adjustment for change in :</u>                                     |                   |                   |
|           | Trade & other receivables                                             | 218.33            | 656.04            |
|           | Inventories                                                           | (277.76)          | 331.70            |
|           | Trade and other payables                                              | (462.64)          | 522.35            |
|           | <b>Cash generated from Operations</b>                                 | 1,351.15          | 2,691.66          |
|           | Direct Taxes Paid                                                     | (39.67)           | (88.01)           |
|           | <b>Net Cash Flow from operating activities</b>                        | <b>1,311.48</b>   | <b>2,603.65</b>   |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                           |                   |                   |
|           | (Purchase)/ Sales of Property, plant and equipment                    | (541.08)          | (3,352.97)        |
|           | (Purchase)/ Sales of Investments                                      |                   |                   |
|           |                                                                       | <b>(541.08)</b>   | <b>(3,352.97)</b> |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>                          |                   |                   |
|           | Increase in Long term Bank & Other borrowings                         | 56.70             | 2,041.19          |
|           | Reserve Created/Deducted                                              | -                 | 22.86             |
|           | Dividend (including CDT)                                              | -                 | -                 |
|           | Interest and finance charges paid                                     | (1,344.85)        | (934.64)          |
|           |                                                                       | <b>(1,288.15)</b> | <b>1,129.41</b>   |
|           | <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>(517.75)</b>   | <b>380.09</b>     |
|           | Add:- Opening Balance of cash & Cash Equivalents                      | 697.47            | 317.39            |
|           | <b>Cash &amp; Cash Equivalents at the Closing of the year</b>         | <b>179.72</b>     | <b>697.47</b>     |

Note : Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
 Partner  
 M.No. 519203

**(Santosh Kumar Bajaj)**  
 Director

**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Saakshi Manchanda)**  
 Company Secretary



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**
**A. Equity Share Capital**
**(Rs. In lakhs)**

| Particulars                     | Amount          |
|---------------------------------|-----------------|
| <b>As at 01st April, 2016</b>   | <b>2,216.00</b> |
| Changes in equity share capital | -               |
| <b>As at 31st March, 2017</b>   | <b>2,216.00</b> |
| Changes in equity share capital | -               |
| <b>As at 31st March, 2018</b>   | <b>2,216.00</b> |

**B. Other Equity**

| Particulars                                   | Reserve and Surplus |                 |                 |                                  |                   | Total Other equity |
|-----------------------------------------------|---------------------|-----------------|-----------------|----------------------------------|-------------------|--------------------|
|                                               | Securities Premium  | Capital Reserve | General Reserve | Consolidated Reserve/ (Goodwill) | Retained Earnings |                    |
| Balance as at 01st April, 2016                | 1,514.40            | 1.53            | 433.02          | (270.96)                         | 7,498.20          | 9,176.18           |
| Additions during the year                     | -                   | 36.66           | -               | -                                | (273.90)          | (237.24)           |
| Adjustment of Revaluation reserve/Others      | -                   | -               | -               | -                                | (19.82)           | (19.82)            |
| Other comprehensive income/ (Loss) net of tax | -                   | -               | -               | -                                | (6.22)            | (6.22)             |
| Impact of deferred tax/ others                | -                   | -               | -               | -                                | 6.89              | 6.89               |
| <b>Balance as at 31st March, 2017</b>         | <b>1,514.40</b>     | <b>38.19</b>    | <b>433.02</b>   | <b>(270.96)</b>                  | <b>7,205.15</b>   | <b>8,919.79</b>    |

| Particulars                                   | Reserve and Surplus |                 |                 |                                  |                   | Total Other equity |
|-----------------------------------------------|---------------------|-----------------|-----------------|----------------------------------|-------------------|--------------------|
|                                               | Securities Premium  | Capital Reserve | General Reserve | Consolidated Reserve/ (Goodwill) | Retained Earnings |                    |
| Balance as at 01st April, 2017                | 1,514.40            | 38.19           | 433.02          | (270.96)                         | 7,205.15          | 8,919.79           |
| Profit for the year                           | -                   | -               | -               | -                                | (228.12)          | (228.12)           |
| Other comprehensive income/ (Loss) net of tax | -                   | -               | -               | -                                | 0.19              | 0.19               |
| <b>Balance as at 31st March, 2018</b>         | <b>1,514.40</b>     | <b>38.19</b>    | <b>433.02</b>   | <b>(270.96)</b>                  | <b>6,977.23</b>   | <b>8,691.87</b>    |

The accompanying notes 1-54 are an integral part of the financial statements

As per our report of even date  
**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2018****1. Principles of consolidation and equity accounting****a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**b) Equity method**

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from associates are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation:****(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Group under Ind AS. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The accounting policies are consistently followed by the Group and changes in accounting policy are separately disclosed.

**(ii) Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Land & Building that are measured at fair value.
- defined benefit plans – plan assets measured at fair value
- certain financial assets & Liabilities that are measured at fair value.

**(iii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.2 Use of Estimates :**

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2.3 Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

**2.4 Property, plant and equipment:**

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, if any) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use.

**Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the previous carrying value of all its property, plant and equipment measured as per the previous GAAP except Land & Building that are measured at fair value and use that carrying value or fair value as the deemed cost of the property, plant and equipment and capital work-in-progress.

### **Capital Work In Progress**

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

### **2.5 Expenditure during construction period:**

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production/ completion of project are capitalized.

### **2.6 Depreciation:**

Depreciation on Property, plant and equipment is provided on Written down Value (WDV) Method except in case of subsidiary “Badarpur Energy Private Limited”, where depreciation is provided on Straight Line Method (SLM) in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified there in. Useful lives, components and residual amounts of all assets are reviewed annually. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### **2.7 Intangible Assets :**

An Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased / developed software and IT related expenditure are written off over a period of three years. On transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognized as at 1<sup>st</sup> April' 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible asset.

### **2.8 Investments and other financial assets :**

#### **Classification**

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

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

#### **Measurement**

All the financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

#### **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal

and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### **Equity instruments**

The Group subsequently measures all equity investments (except subsidiary, associate and joint venture, which are carried at cost) at fair value through other comprehensive income.

### **Impairment of financial assets**

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### **Derecognition of financial assets**

A financial asset is derecognised only when

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

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

## **2.9 Financial liabilities :**

### **Initial recognition and measurement**

The Group recognises all the financial liabilities on initial recognition at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability that are not at fair value through profit or loss, are added to the fair value on initial recognition.

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

### **Subsequent measurement**

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

### **De-recognition of financial liabilities**

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

## **2.10 Borrowings :**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Difference between the proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to any other party and the consideration paid, is recognized in profit or loss as finance cost or other income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for 12 months after the reporting period.

#### **2.11 Investment in Subsidiaries :**

The Company's investment in its subsidiary, associate and joint venture are carried at cost less accumulated impairment loss if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

#### **2.12 Inventories:**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of Inventories is computed on weighted average basis.

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.

#### **2.13 Trade receivables and payables:**

Trade receivables are recognized at fair value. Subsequently receivables are measured at amortized cost using the effective interest method.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Payables are also recognized at fair value and subsequently at amortized cost using the effective interest method, if required.

#### **2.14 Revenue Recognition:**

The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the concerned company. Sales are recognized when substantial risks and rewards of ownership are transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and are net of trade discounts, sales commission, rebates, sales returns, value added taxes/ Goods & service Tax and other amounts collected on behalf of the government or third parties.

Interest income is recognized using the effective interest rate method.

#### **2.15 Impairment of non – financial assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

**2.16 Employee Benefits:****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Defined Contribution Plan**

Employees benefits in the form of provident fund and other labour welfare fund are considered as 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.

**(iii) Defined Benefit Plan**

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation (except the subsidiary companies), using the projected unit credit method, as at the date of the Balance Sheet.

**(iv) Other Long-term benefits**

Long-term compensated absences are provided for on the actuarial valuation (except the subsidiary companies), using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the statement of profit and loss.

**2.17 Government Grants and Subsidies :**

Government grants and subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expenses.

**2.18 Tax Expenses:**

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961.

**Minimum Alternate Tax (MAT) :** Minimum alternate tax (MAT) paid in a year/period is charged to the statement of profit and loss as current tax for the year/period. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

#### **2.19 Research and Development Expenditure :**

Revenue expenditure on Research and Development is charged to the statement of profit and loss in the year in which it is incurred and are included under the related head of expenditure. Capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

#### **2.20 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

#### **2.21 Provisions and Contingencies :**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expenses. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

#### **2.22 Cash and Cash Equivalents :**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short term highly liquid investment /deposits with an original maturity period of three or less than three months.

#### **2.23 Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income 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 before other comprehensive income 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 dilutive potential equity shares.

**2.24 Lease :**

Leases of property, plant and equipment; where the Group as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.25 Offsetting financial instruments :**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**2.26 Segment reporting :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

| <b>Note : 3 Property, Plant and Equipment</b> |                                    |                         |                             |                              |                                 |                 |                          |                  |                  | <b>(Rs. In lakhs)</b> |  |
|-----------------------------------------------|------------------------------------|-------------------------|-----------------------------|------------------------------|---------------------------------|-----------------|--------------------------|------------------|------------------|-----------------------|--|
| <b>Particulars</b>                            | <b>Land &amp; Site Development</b> | <b>Factory Building</b> | <b>Non Factory Building</b> | <b>Plant &amp; Machinery</b> | <b>Furniture &amp; Fixtures</b> | <b>Vehicles</b> | <b>Office Equipments</b> | <b>Computers</b> | <b>Total</b>     |                       |  |
| <b>At 1st April, 2016 (Original Cost)</b>     | 6,538.86                           | 2,484.16                | 551.69                      | 11,896.02                    | 87.84                           | 193.25          | 98.26                    | 78.53            | 21,928.62        |                       |  |
| Adjustment due to revaluation at FMV          | 6,303.35                           | (321.88)                | (112.62)                    | (1,440.82)                   | -                               | -               | -                        | -                | 4,428.03         |                       |  |
| Deferment of Govt. grants                     | -                                  | -                       | -                           | 104.63                       | -                               | -               | -                        | -                | 104.63           |                       |  |
| Additions/ Disposals                          | 16.66                              | 314.89                  | -                           | 2,701.61                     | 0.44                            | (22.33)         | 1.24                     | 0.81             | 3,013.33         |                       |  |
| <b>At 31st March, 2017</b>                    | <b>12,858.86</b>                   | <b>2,477.18</b>         | <b>439.08</b>               | <b>13,261.45</b>             | <b>88.29</b>                    | <b>170.92</b>   | <b>99.50</b>             | <b>79.34</b>     | <b>29,474.62</b> |                       |  |
| Addition                                      | 224.90                             | 21.46                   | 2.76                        | 83.73                        | 0.99                            | 13.88           | 6.43                     | 4.56             | 358.71           |                       |  |
| Disposals                                     | -                                  | -                       | -                           | 19.45                        | -                               | 0.78            | -                        | 0.43             | 20.66            |                       |  |
| <b>At 31st March, 2018</b>                    | <b>13,083.76</b>                   | <b>2,498.63</b>         | <b>441.84</b>               | <b>13,325.73</b>             | <b>89.28</b>                    | <b>184.02</b>   | <b>105.93</b>            | <b>83.47</b>     | <b>29,812.66</b> |                       |  |
| <b>Accumulated Depreciation</b>               |                                    |                         |                             |                              |                                 |                 |                          |                  |                  |                       |  |
| <b>At 1st April, 2016</b>                     | -                                  | 1,345.84                | 272.52                      | 7,434.60                     | 75.00                           | 154.13          | 84.79                    | 75.30            | 9,442.17         |                       |  |
| charge for the year                           | -                                  | 94.30                   | 28.04                       | 352.22                       | 3.04                            | 12.70           | 4.72                     | 1.03             | 496.04           |                       |  |
| Disposals/deductions/adjustment               | -                                  | 28.93                   | 18.25                       | 35.00                        | -                               | 19.99           | -                        | -                | 102.16           |                       |  |
| <b>At 31st March, 2017</b>                    | <b>-</b>                           | <b>1,431.23</b>         | <b>300.31</b>               | <b>7,765.24</b>              | <b>78.04</b>                    | <b>146.84</b>   | <b>89.50</b>             | <b>76.33</b>     | <b>9,887.49</b>  |                       |  |
| charge for the year                           | -                                  | 113.50                  | 18.05                       | 622.89                       | 2.17                            | 10.70           | 3.86                     | 2.19             | 773.36           |                       |  |
| Disposals/deductions/adjustment               | -                                  | 14.24                   | 1.08                        | 53.55                        | (0.99)                          | 1.17            | -                        | -                | 69.03            |                       |  |
| <b>At 31st March, 2018</b>                    | <b>-</b>                           | <b>1,530.50</b>         | <b>317.28</b>               | <b>8,334.58</b>              | <b>81.21</b>                    | <b>156.38</b>   | <b>93.36</b>             | <b>78.51</b>     | <b>10,591.81</b> |                       |  |
| <b>Net Carrying Value</b>                     |                                    |                         |                             |                              |                                 |                 |                          |                  | -                |                       |  |
| <b>At 1st April, 2016</b>                     | <b>12,590.49</b>                   | <b>816.45</b>           | <b>164.37</b>               | <b>3,113.54</b>              | <b>12.84</b>                    | <b>39.12</b>    | <b>13.47</b>             | <b>3.23</b>      | <b>16,753.52</b> |                       |  |
| <b>At 31st March, 2017</b>                    | <b>12,858.86</b>                   | <b>1,045.95</b>         | <b>138.77</b>               | <b>5,496.21</b>              | <b>10.25</b>                    | <b>24.08</b>    | <b>10.00</b>             | <b>3.01</b>      | <b>19,587.13</b> |                       |  |
| <b>At 31st March, 2018</b>                    | <b>13,083.76</b>                   | <b>968.14</b>           | <b>124.56</b>               | <b>4,991.15</b>              | <b>8.07</b>                     | <b>27.64</b>    | <b>12.57</b>             | <b>4.95</b>      | <b>19,220.85</b> |                       |  |

**Note : 3 (a) Intangible Assets**
**(Rs. In lakhs)**

| Particulars                               | Intangible Assets |
|-------------------------------------------|-------------------|
| <b>At 1st April ,2016 (Original Cost)</b> | 29.38             |
| Additions/ (Disposals)                    | -                 |
| <b>At 31st March ,2017</b>                | <b>29.38</b>      |
| Additions/ (Disposals)                    | 0.35              |
| <b>At 31st March ,2018</b>                | <b>29.73</b>      |
| <b><u>Accumulated Depreciation</u></b>    |                   |
| <b>At 1st April ,2016</b>                 | 29.25             |
| charge for the year                       | 0.08              |
| Disposals/deductions/adjustment           | -                 |
| <b>At 31st March ,2017</b>                | <b>29.33</b>      |
| charge for the year                       | 0.04              |
| Disposals/deductions/adjustment           | -                 |
| <b>At 31st March ,2018</b>                | <b>29.37</b>      |
| <b><u>Net Carrying Value</u></b>          |                   |
| <b>At 1st April ,2016</b>                 | <b>0.13</b>       |
| <b>At 31st March ,2017</b>                | <b>0.05</b>       |
| <b>At 31st March ,2018</b>                | <b>0.36</b>       |

| <b>Note: 4 Loans</b>                                         | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------|------------------|------------------|------------------|
| <b>Loans and advances</b><br>(Unsecured but considered good) |                  |                  |                  |
| - To Others                                                  | 384.94           | -                | -                |
|                                                              | <b>384.94</b>    | <b>-</b>         | <b>-</b>         |

| <b>Note: 5 - Investments</b>                                                                                                                                                                                                                                                     | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b><u>Investment in Others (Unquoted) - non current :</u></b><br>Investments in unquoted equity instruments at FVTPL<br><b>North East Power &amp; Infra Limited</b><br>1,80,000 (1,80,000 as at 31.03.17, 180,000 as at 31.03.2016)<br>Equity Share of Rs 10 each fully paid up. | 12.15            | 11.87            | 20.87            |
| <b>Total</b>                                                                                                                                                                                                                                                                     | <b>12.15</b>     | <b>11.87</b>     | <b>20.87</b>     |
| <b><u>Total non - current investments</u></b><br>Aggregate amount of Quoted investment                                                                                                                                                                                           | -                | -                | -                |
| Aggregate amount of Unquoted investments                                                                                                                                                                                                                                         | 12.15            | 11.87            | 20.87            |
|                                                                                                                                                                                                                                                                                  | <b>12.15</b>     | <b>11.87</b>     | <b>20.87</b>     |

(Rs. In lakhs)

| <b>Note: 6 Other financial assets - Non Current</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------------|------------------|------------------|------------------|
| <b>Security deposits</b>                            |                  |                  |                  |
| Unsecured, considered good                          | 282.71           | 260.53           | 260.77           |
|                                                     | <b>282.71</b>    | <b>260.53</b>    | <b>260.77</b>    |

| <b>Note: 7 - Deferred tax assets (net)</b>                               | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Deferred Tax Assets</b>                                               |                  |                  |                  |
| - MAT Credit entitlement                                                 | 611.98           | 593.79           | 538.91           |
| - Staff Leave encashment and gratuity                                    | 4.73             | (9.08)           | 35.79            |
|                                                                          | <b>616.71</b>    | <b>584.71</b>    | <b>574.70</b>    |
| <b>Deferred Tax liability</b>                                            |                  |                  |                  |
| - Impact of difference between tax depreciation and depreciation charged | 211.90           | 181.40           | 138.26           |
| - Tax effect of Other Comprehensive Income                               | (1.81)           | (1.90)           | 0.89             |
|                                                                          | <b>210.09</b>    | <b>179.51</b>    | <b>139.14</b>    |
| <b>Net deferred tax (assets)/liability</b>                               | <b>406.61</b>    | <b>405.21</b>    | <b>435.56</b>    |

| <b>Note: 8 - Other non-current assets</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-------------------------------------------|------------------|------------------|------------------|
| <b>Unsecured, Considered Good</b>         |                  |                  |                  |
| Capital advances                          | 636.34           | 876.29           | 946.09           |
|                                           | <b>636.34</b>    | <b>876.29</b>    | <b>946.09</b>    |

| <b>Note: 9 - Inventories</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|------------------------------|------------------|------------------|------------------|
| Raw Materials and components | 203.97           | 149.02           | 121.12           |
| Work - In - Progress         | 6.27             | 37.68            | 116.40           |
| Finished Goods               | 143.59           | 207.76           | 272.44           |
| Good In Transit              | 2.65             | -                | 2.36             |
| Packing Material             | 38.64            | 14.12            | 51.78            |
| Stores & Spares parts        | 870.30           | 579.08           | 755.26           |
|                              | <b>1,265.42</b>  | <b>987.66</b>    | <b>1,319.36</b>  |

| <b>Note: 10 - Trade receivables</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-------------------------------------|------------------|------------------|------------------|
| Secured Considered Good             | 254.63           | 107.67           | 98.09            |
| Unsecured                           | 1,321.27         | 1,109.92         | 1,590.77         |
| <b>Total Trade receivables</b>      | <b>1,575.89</b>  | <b>1,217.58</b>  | <b>1,688.86</b>  |

| <b>Note: 11 - Cash and cash equivalents</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------|------------------|------------------|------------------|
| Cash in hand                                | 47.66            | 41.21            | 54.13            |
| Cheques in hand                             | 51.83            | 376.74           | 178.91           |
| Balance with Banks                          |                  |                  |                  |
| - In current accounts                       | 80.22            | 279.53           | 84.34            |
|                                             | <b>179.72</b>    | <b>697.47</b>    | <b>317.39</b>    |

(Rs. In Lakhs)

| <b>Note: 12 - Other - Bank balances other than above</b>                                                           | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months * | 104.14           | 105.58           | 13.73            |
|                                                                                                                    | <b>104.14</b>    | <b>105.58</b>    | <b>13.73</b>     |

\* The bank balance disclosed above represents margin money against bank guarantee and therefore not available for general use by the Company.

| <b>Note: 13 - Loans</b>                                            | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|--------------------------------------------------------------------|------------------|------------------|------------------|
| Loans and advances to related parties (Unsecured, Considered Good) | 1.23             | 9.67             | 6.00             |
|                                                                    | <b>1.23</b>      | <b>9.67</b>      | <b>6.00</b>      |

| <b>Note: 14 - Other financial assets</b>     | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------|------------------|------------------|------------------|
| -Advances to employees                       | 25.63            | 17.65            | 15.41            |
| -Subsidies /incentives receivable from Govt. | 592.96           | 1,816.30         | 2,181.11         |
|                                              | <b>618.59</b>    | <b>1,833.95</b>  | <b>2,196.53</b>  |

| <b>Note: 15 - Other current assets</b>                   | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------------|------------------|------------------|------------------|
| Unsecured, considered good                               |                  |                  |                  |
| -Advances to suppliers                                   | 658.53           | 372.17           | 187.39           |
| -Balances with statutory/government authorities          | 1,214.89         | 1,060.21         | 1,039.53         |
| -Advances for services & expenses                        | 84.61            | 49.07            | 43.64            |
| -Others                                                  | 0.50             | 0.50             | 0.50             |
| -Advance income tax (net of tax provision including MAT) | 3.20             | 0.03             | 19.24            |
|                                                          | <b>1,961.73</b>  | <b>1,481.99</b>  | <b>1,290.30</b>  |

| <b>Note: 16 - Equity share capital</b>                                                                                                                                                            | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b><u>Authorised Capital</u></b><br>{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2017, 2,50,00,000 as at 31.03.2016) of Rs. 10/- each}                                                     | 2,500.00         | 2,500.00         | 2,500.00         |
| <b><u>Issued, Subscribed, Called &amp; fully Paid -up shares</u></b><br>{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.2017, 2,21,60,000 as at 31.03.2016) of Rs. 10/- each, fully paid up.} | 2,216.00         | 2,216.00         | 2,216.00         |

# BARAK VALLEY CEMENTS LIMITED

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(No. In Lakhs)

| <u>Equity Shares</u>               | <u>No. of Shares</u> | <u>No. of Shares</u> | <u>No. of Shares</u> |
|------------------------------------|----------------------|----------------------|----------------------|
| At the beginning of the year       | 221.60               | 221.60               | 221.60               |
| Issued during the year             | -                    | -                    | -                    |
| Outstanding at the end of the year | 221.60               | 221.60               | 221.60               |

## (b) Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Details of Shareholders holding more than 5% shares in the company

(No. In Lakhs)

| <u>Name of the Shareholders</u> | <u>No. of Shares/<br/>% of holding</u> | <u>No. of Shares/<br/>% of holding</u> | <u>No. of Shares/<br/>% of holding</u> |
|---------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Sh. Bijay Kumar Garodia         | 21.63<br>9.76%                         | 21.63<br>9.76%                         | 21.63<br>9.76%                         |
| Sh. Prahlad Rai Chamaria        | 19.85<br>8.96%                         | 19.85<br>8.96%                         | 19.85<br>8.96%                         |
| Sh. Santosh Kumar Bajaj         | 18.85<br>8.50%                         | 18.85<br>8.50%                         | 18.85<br>8.50%                         |
| Sh. Mahendra Kumar Agarwal      | 14.76<br>6.66%                         | 14.76<br>6.66%                         | 14.76<br>6.66%                         |

(Rs. In lakhs)

| <b>Note - 17 Other Equity</b>                          | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|--------------------------------------------------------|------------------|------------------|
| <b>Securities Premium Account</b>                      |                  |                  |
| Opening Balance                                        | 1,514.40         | 1,514.40         |
| Addition/(deduction) during the year                   | -                | -                |
|                                                        | <b>1,514.40</b>  | <b>1,514.40</b>  |
| <b>Capital Reverse Account</b>                         |                  |                  |
| Opening Balance                                        | 38.19            | 1.53             |
| Addition/(deduction) during the year                   | -                | 36.67            |
|                                                        | <b>38.19</b>     | <b>38.19</b>     |
| <b>General Reserve</b>                                 |                  |                  |
| Opening Balance                                        | 433.02           | 433.02           |
| Addition/(deduction) during the year                   | -                | -                |
|                                                        | <b>433.02</b>    | <b>433.02</b>    |
| <b>Consolidated Reserve / (Goodwill)</b>               |                  |                  |
| Opening Balance                                        | (270.96)         | (270.96)         |
| Addition/(deduction) during the year                   | -                | -                |
|                                                        | <b>(270.96)</b>  | <b>(270.96)</b>  |
| <b>Retained Earnings</b>                               |                  |                  |
| Opening Balance                                        | 7,205.16         | 7,499.54         |
| Profit / (Loss) for the year                           | (228.12)         | (273.90)         |
| Add: Other comprehensive income/ (Loss) (net of taxes) | 0.19             | (6.22)           |
| Less: adjustment of Revaluation reserve                | -                | (21.16)          |
| Add: impact of deferred tax/ others                    | -                | 6.89             |
| <b>Total Retained earnings</b>                         | <b>6,977.24</b>  | <b>7,205.16</b>  |
| <b>Total Other Equity</b>                              | <b>8,691.88</b>  | <b>8,919.80</b>  |

**Nature and purpose of reserves :**

- (i) Securities Premium : At the time of Initial Public Offer, the excess of issue price of shares over the face value of shares issued, minus expenditure incurred on issuance of shares is treated as Securities Premium.
- (ii) Capital Reserve : During takeover, of other companies, the excess of consideration paid over Net assets taken is treated as capital reserve.
- (iii) General Reserve : The company had transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956.
- (iv) Retained Earnings : Retained Earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the the shareholders of the company.

**(Rs. In Lakhs)**

| <b>Note: 18 - Borrowings</b>                                    | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|-----------------------------------------------------------------|------------------|------------------|------------------|
| <u>Term loans (secured)</u>                                     |                  |                  |                  |
| Rupee loans from banks                                          | 1,158.14         | 1,351.78         | 1,779.36         |
| Rupee loans from a financial institution [Refer note (i) below] | 1,057.50         | 1,156.83         | 1,025.49         |
| Rupee loan from body corporates [Refer note (ii) below]         | 3,488.32         | 2,926.04         | 1,408.32         |
| Loans from related parties (unsecured) (Refer note (iii) below) | 438.97           | 684.55           | 250.32           |
| <u>Other loans (secured)-</u>                                   |                  |                  |                  |
| Hire purchase finance from banks ([Refer note (iv) below)       | 10.00            | 5.30             | 7.56             |
|                                                                 | <b>6,152.93</b>  | <b>6,124.52</b>  | 4,471.05         |
| Less: Current maturities of long term borrowings                | (891.07)         | (920.63)         | (1,524.22)       |
|                                                                 | <b>5,261.86</b>  | <b>5,203.89</b>  | <b>2,946.83</b>  |

- (i) Rupee Term Loan of Rs. 398.68 lakhs (Rs. 533.65 lakhs as at 31.03.2017) consists of WCTL and is repayable upto March' 2017 under varying terms of repayment. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Two Subsidiaries namely Cement International Ltd. and Badarpur Energy Pvt. Ltd. has defaulted in repayment of WCTL to the bank.
- (ii) Term Loan of Rs. 759.47 Lakhs (Rs. 818.13 lakhs as at 31.03.2017) from bank is secured against hypothecation of all stocks of standing crops, harvested crops, receivables, book debts, plant & machineries and moveable fixed assets and other current assets of the Tea companies. Further loan is secured by way of equitable mortgage of land and building of the company.
- (iii) Rupee Term Loans of Rs. 1,057.50 lakhs (Rs. 1,156.83 lakhs as at 31.03.2017) from financial institution is consisting of RTL of Rs. 968.22 lakhs (Rs. 1062.01 Lakhs at 31.03.2017) and Rs. 89.28 Lakhs (Rs. 94.82 lakhs at 31.03.2017) from SPTF, Tea Board against plantation of Tea and Rubber. The loan is secured by first charge on fixed and immovable assets of company's assets on pari-passu basis and by second charge on fixed and immovable assets of the company. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- (iv) Rupee term loan of 89.28 lakhs (Rs. 94.82 lakhs as at 31.03.2017) from SPTF, Tea Board is secured by equitable mortgage second charge on the fixed assets including immovable properties of the company. During the year subsidiary company has defaulted in repayment of principal and interest thereon due to tea board.
- (v) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within one to three years having varying date of payment.
- (vi) Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.

**(Rs. In Lakhs)**

| <b>Note: 19 Other financial liabilities</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|---------------------------------------------|------------------|------------------|------------------|
| -Security Deposit                           | 502.78           | 505.78           | 693.44           |
|                                             | <b>502.78</b>    | <b>505.78</b>    | <b>693.44</b>    |

(Rs. In Lakhs)

| <b>Note: 20 - Employee benefit obligations</b>           | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------------|------------------|------------------|------------------|
| Provisions for employee benefits                         |                  |                  |                  |
| - Leave encashment                                       | 14.92            | 10.96            | 30.50            |
| - Gratuity                                               | 54.18            | 45.95            | 43.22            |
|                                                          | <b>69.10</b>     | <b>56.91</b>     | <b>73.71</b>     |
| <b>Note: 21 Other non current liabilities</b>            | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
| - Deferred Government Grant Income                       | 146.53           | 157.00           | 168.39           |
|                                                          | <b>146.53</b>    | <b>157.00</b>    | <b>168.39</b>    |
| <b>Note: 22 - Borrowings</b>                             | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
| <i>Secured</i>                                           |                  |                  |                  |
| Working capital facilities from banks (Refer note below) |                  |                  |                  |
| - Cash credit                                            | 4,076.00         | 3,946.31         | 4,130.84         |
| From Body Corporate (Unsecured)                          | -                | -                | 1.72             |
|                                                          | <b>4,076.00</b>  | <b>3,946.31</b>  | <b>4,132.56</b>  |

**Notes-**

- (a) Working Capital facilities of Rs. 4,076.00 lacs (31 March 2017: Rs. 3,946.31 Lacs , 1 April 2016: Rs. 4,130.84 lacs) from banks are secured by first charge on current assets of the company and first charge on the fixed assets of the company, both present and future including mortgage of immovable assets. Working Capital facilities from banks have also been guaranteed by some of the Directors of the company.
- (b) During the year two subsidiary companies has defaulted in serving of interest on working capital facility availed from the bank.

(Rs. In Lakhs)

| <b>Note: 23 - Other financial liabilities</b>      | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
|----------------------------------------------------|------------------|------------------|------------------|
| Current maturities of long term borrowings         | 905.77           | 908.91           | 1,524.22         |
| Interest accrued but not due on borrowings         | 7.02             | 57.14            | 52.90            |
| Interest Accrued and due on Borrowing              | 294.24           | 173.50           | 143.66           |
| Other payables :                                   |                  |                  |                  |
| -Provision for Selling and other expenses          | 44.27            | 111.96           | 127.21           |
| -Salary and bonus to employees                     | 48.29            | 52.47            | 82.99            |
| -Other liabilities                                 | 189.06           | 366.98           | 426.99           |
|                                                    | <b>1,488.66</b>  | <b>1,670.96</b>  | <b>2,357.97</b>  |
| <b>Note: 24 - Employee benefit obligation</b>      | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
| Provisions for employee benefits :                 |                  |                  |                  |
| -Leave encashment                                  | 24.43            | 21.54            | 37.70            |
|                                                    | <b>24.43</b>     | <b>21.54</b>     | <b>37.70</b>     |
| <b>Note: 25 - Other current liabilities</b>        | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
| Deferred government grant                          | 9.32             | 9.32             | 9.32             |
| <b>Other payables</b>                              |                  |                  |                  |
| -Statutory liabilities                             | 1,513.66         | 1,129.11         | 690.49           |
| -Staff Credit                                      | 17.47            | 15.33            | 17.66            |
| -Other Liabilities                                 | 3.67             | 3.75             | 3.27             |
| Advances from customer                             | 161.16           | 353.27           | 652.94           |
|                                                    | <b>1,705.28</b>  | <b>1,510.78</b>  | <b>1,373.67</b>  |
| <b>Note: 26 - Current tax liabilities (net)</b>    | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>01-Apr-16</b> |
| Provision for taxation (net of advance income tax) | 20.57            | 29.40            | -                |
|                                                    | <b>20.57</b>     | <b>29.40</b>     | <b>-</b>         |



(Rs. In Lakhs)

| <b>Note: 27 - Revenue from operations</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|-------------------------------------------|------------------|------------------|
| <b><u>Sale of products</u></b>            |                  |                  |
| Domestic Sale                             | 15,949.97        | 13,185.56        |
| <b><u>Other operating income</u></b>      |                  |                  |
| Others                                    | -                | 3.43             |
| <b>Revenue from operation</b>             | <b>15,949.97</b> | <b>13,189.00</b> |

| <b>Note: 28- Other income</b>      | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|------------------------------------|------------------|------------------|
| <b><u>Interest income on:-</u></b> |                  |                  |
| -Bank deposits                     | 6.56             | 18.01            |
| -Other Interest Income             | 17.60            | -                |
| -Amortisation of deferred income   | 10.47            | 11.39            |
| -Other Non Operating income        | 24.95            | 36.36            |
|                                    | <b>59.57</b>     | <b>65.76</b>     |

| <b>Note: 29 - Cost of materials consumed</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|----------------------------------------------|------------------|------------------|
| Inventory at the beginning of the year       | 161.07           | 172.33           |
| Add: Purchases                               | 3,155.43         | 2,192.24         |
|                                              | 3,316.51         | 2,364.57         |
| Less :Inventory at the end of the year       | 239.56           | 161.07           |
| <b>Cost of Materials Consumed</b>            | <b>3,076.95</b>  | <b>2,203.50</b>  |

| <b>Note: 30 - (Increase)/decrease in inventories</b>   | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|--------------------------------------------------------|------------------|------------------|
| <b><u>Inventories at the end of the year</u></b>       |                  |                  |
| Work -in -Progress                                     | 6.27             | 37.68            |
| Finished Goods                                         | 142.38           | 207.76           |
|                                                        | 148.65           | 245.45           |
| <b><u>Inventories at the beginning of the year</u></b> |                  |                  |
| Work -in -Progress                                     | 37.68            | 116.40           |
| Finished Goods                                         | 207.76           | 272.44           |
|                                                        | 245.45           | 388.83           |
| <b>(Increase) /Decrease in inventories</b>             | <b>96.80</b>     | <b>143.39</b>    |

| <b>Note: 31 - Employee benefit expenses</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|---------------------------------------------|------------------|------------------|
| Salaries, Wages & other manpower expenses   | 1,290.78         | 1,078.10         |
| Contribution to Provident and other funds   | 39.25            | 35.23            |
| Gratuity Expenses                           | 9.57             | 9.79             |
| Staff welfare expenses                      | 57.88            | 64.08            |
|                                             | <b>1,397.49</b>  | <b>1,187.20</b>  |

(Rs. In Lakhs)

| <b>Note: 32 - Finance costs</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|---------------------------------|------------------|------------------|
| Interest expense                |                  |                  |
| -On Term loans                  | 268.42           | 234.13           |
| -On Working Capital             | 756.86           | 545.75           |
| Other finance costs             | 319.58           | 154.76           |
|                                 | <b>1,344.85</b>  | <b>934.64</b>    |

| <b>Note: 33 - Depreciation and amortization expenses</b> | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|----------------------------------------------------------|------------------|------------------|
| Deprecation on tangible Assets                           | 716.58           | 438.10           |
| Amortisation of intangible Assets                        | 0.04             | 0.08             |
|                                                          | <b>716.62</b>    | <b>438.18</b>    |

| <b>Note: 34 - Other expenses</b>                    | <b>31-Mar-18</b> | <b>31-Mar-17</b> |
|-----------------------------------------------------|------------------|------------------|
| Consumption of Stores & Spare parts                 | 316.89           | 290.37           |
| Power & Fuel                                        | 4,555.71         | 3,208.84         |
| Rent                                                | 36.56            | 36.75            |
| Repairs & Maintenance                               |                  |                  |
| - Building                                          | 14.91            | 8.20             |
| - Plant & Machinery                                 | 165.75           | 73.90            |
| - Others                                            | 27.06            | 26.36            |
| Vehicle running, maintenance & hire charges         | 60.19            | 44.30            |
| Printing, Stationery & Computer expenses            | 15.14            | 13.01            |
| Material Handling & Freight Charges                 | 121.86           | 118.02           |
| Royalty paid                                        | 271.65           | 194.32           |
| Other Production Overheads                          | 2.70             | 0.57             |
| Travelling and Conveyance                           | 56.49            | 58.55            |
| Insurance(Net)                                      | 24.69            | 24.57            |
| Rates & Taxes                                       | 27.78            | 15.46            |
| Research & Development Expenses                     | 0.22             | 0.35             |
| Auditor's Remuneration                              | 5.53             | 4.65             |
| Sundry advances written off                         | (5.35)           | 1.29             |
| Director's Remuneration                             | 24.00            | 24.00            |
| Charity & Donation                                  | 29.36            | 2.54             |
| Miscellaneous Expenses                              | 178.12           | 164.92           |
| Professional fees & Consultancy Expenses            | 4.91             | 3.31             |
| Security Service Expenses                           | 19.94            | 17.80            |
| Outward transportation cost                         | 3,204.17         | 3,829.80         |
| Advertisement, Publicity & Sales Promotion Expenses | 182.97           | 192.97           |
| Telephone expenses                                  | 17.95            | 14.31            |
|                                                     | <b>9,359.19</b>  | <b>8,369.17</b>  |

**(35) Earnings per share:**

Earnings Per Share (EPS) for the year ended 31<sup>st</sup> March 2018 is calculated as under:

(Rs. In Lakhs)

|     |                                                                                              | <u>2017 - 2018</u> | <u>2016 - 2017</u> |
|-----|----------------------------------------------------------------------------------------------|--------------------|--------------------|
| (a) | Profit / (Loss) attributable to Equity Shareholders of the company (In Lakh Rs.)             | <b>(228.12)</b>    | (273.04)           |
| (b) | The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS (In No.'s) | <b>2,21,60,000</b> | 2,21,60,000        |
| (c) | Face value per Ordinary Share.(In Rs.)                                                       | <b>10.00</b>       | 10.00              |
| (d) | Earnings Per Share - Basic & Diluted (In Rs.)                                                | <b>(1.03)</b>      | (1.23)             |

**(36) Capital Commitments**

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to 20.25 Lakhs (Rs. 516.13 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 31.89 Lakhs as at 31<sup>st</sup> March' 2016)

**(37) Contingent liabilities not provided for:**

- (a) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 3,133.92 Lakhs (Rs. 3,519.64 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 3,447.71 Lakhs as at 31<sup>st</sup> March' 2016)
- (b) Claims against the company not acknowledged as debts: Disputed demands of Entry – tax /Income –Tax / Revenue matters pending before the Appellate Authorities: Rs. 212.96 Lakhs (Rs.530.66 lakhs as at 31<sup>st</sup> March' 2017 and 31<sup>st</sup> March' 2016)
- (c) Fixed Deposit Receipts pledged with the banks / others: Rs. 99.02 Lakhs (Rs. 68.70 Lakhs as at 31<sup>st</sup> March' 2017 and Rs. 7.73 Lakhs as at 31<sup>st</sup> March' 2016)

**(38) Payment made to Auditor's during the year ended is as under: -**

|                                  | <u>2017-2018</u>    | <u>2016- 2017</u>   |
|----------------------------------|---------------------|---------------------|
| a. Statutory audit fees          | Rs.4,87,900         | Rs. 4,02,500        |
| b. Tax Audit fees                | Rs. 46,000          | Rs. 46,000          |
| c. Company Law and other matters | Rs. <u>25,000</u>   | Rs. <u>21,650</u>   |
| Total                            | Rs. <u>5,58,900</u> | Rs. <u>4,70,150</u> |

- (39) There are no Micro, Small and Medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information/ documents available with the company.

**BARAK VALLEY CEMENTS LIMITED**

**(40) Assets pledged as Security:** The carrying amount of assets pledged as security for borrowings of Group (Except two subsidiary companies which have not taken any borrowing) are as under:

(Rs. In Lakhs)

| Particulars                                 | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 | 01 <sup>st</sup> April, 2016 |
|---------------------------------------------|------------------------------|------------------------------|------------------------------|
| (I) First charge on Current Assets :        |                              |                              |                              |
| (i) Inventory                               | 1,263.87                     | 986.02                       | 1,317.35                     |
| (ii) Trade Receivable                       | 1,575.89                     | 1,217.58                     | 1,688.86                     |
| (iii) Cash and cash equivalents             | 172.34                       | 690.06                       | 310.06                       |
| (iv) Other bank balances                    | 104.15                       | 105.58                       | 13.73                        |
| (v) Loans/ other financial assets           | 618.18                       | 1,840.64                     | 2,199.16                     |
| (vi) Other current assets                   | 1,941.21                     | 1,463.50                     | 1,275.42                     |
| <b>Total Current assets</b>                 | <b>5,675.64</b>              | <b>6,303.38</b>              | <b>6,804.58</b>              |
| (II) First charge on Non – Current Assets : |                              |                              |                              |
| (i) Property, plant and equipments          | 17,045.63                    | 17,224.80                    | 14,302.45                    |
| <b>Total Non -Current assets</b>            | <b>17,045.63</b>             | <b>17,224.80</b>             | <b>14,302.45</b>             |
| <b>Total Assets pledged as security</b>     | <b>22,721.27</b>             | <b>23,528.18</b>             | <b>21,107.03</b>             |

**(41). Employee Defined Benefits:**

**(i) Leave Obligations :**

Under leave encashment scheme, the company allows its employees to en-cash accumulated leave over and above thirty days. So, accumulated leave encashment liability for up to 30 days period is classified as non-current liability and over the period of 30 days is covered under current liability. Non-current liability of leave encashment is discounted @ 9% and carried at current cost in the financial statements and resultant variation is accounted for in the finance cost / employee benefit expenses of the profit and loss statement.

**(ii) Gratuity :**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less than the provisions of the Payment of Gratuity Act, 1972.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(Rs. In Lakhs)

| Particulars                                       | Present value of obligation | Net amount   |
|---------------------------------------------------|-----------------------------|--------------|
| <b>Opening as on 01<sup>st</sup> April' 2016</b>  | <b>43.22</b>                | <b>43.22</b> |
| Current Service Cost                              | 6.01                        | 6.01         |
| Interest expenses/ (income)                       | 1.77                        | 1.77         |
| Actuarial gain/ loss                              | 2.01                        | 2.01         |
| <b>Total amount recognized in profit and loss</b> | <b>9.79</b>                 | <b>9.79</b>  |
| Benefits paid                                     | (7.06)                      | (7.06)       |
| Disposal / Transfer of obligation                 | --                          | --           |
| <b>Closing as on 31<sup>st</sup> March' 2017</b>  | <b>45.95</b>                | <b>45.95</b> |

**(Rs. In Lakhs)**

| Particulars                                       | Present value of obligation | Net amount   |
|---------------------------------------------------|-----------------------------|--------------|
| <b>Opening as on 01<sup>st</sup> April' 2017</b>  | <b>45.95</b>                | <b>45.95</b> |
| Current Service Cost                              | 5.16                        | 5.16         |
| Interest expenses/ (income)                       | 1.28                        | 1.28         |
| Actuarial gain/ loss                              | 3.13                        | 3.13         |
| <b>Total amount recognized in profit and loss</b> | <b>9.57</b>                 | <b>9.57</b>  |
| Benefits paid                                     | (6.06)                      | (6.06)       |
| Disposal / Transfer of obligation                 | 4.72                        | 4.72         |
| <b>Closing as on 31<sup>st</sup> March' 2018</b>  | <b>54.18</b>                | <b>54.18</b> |

The significant actuarial assumptions were as follows :

| Particulars                        | 31 <sup>st</sup> March' 2018 | 31 <sup>st</sup> March' 2017 |
|------------------------------------|------------------------------|------------------------------|
| <b>Discount Rate</b>               | <b>7.50 %</b>                | <b>7.50%</b>                 |
| Salary Escalation                  | 3.00 %                       | 3.00 %                       |
| Withdrawal Rate (depending on age) | 1% to 3%                     | 1% to 3%                     |
| Mortality Rate                     | LIC (2006-2008) ultimate     | LIC (2006-2008) ultimate     |

### (iii) Risk Exposure:

Through its defined benefit plans the Company is exposed to a number of risks, significant of which are as follows:

- Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.
  - Interest Risk:** A decrease in the interest rate on plan assets will increase the plan liability.
  - Life Expectancy:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
  - Salary growth risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.
- (iv) The Group has recognized expenses of Rs. 39.25 lakhs (Rs. 35.23 lakhs as at 31<sup>st</sup> March, 2017) towards the defined contribution plan.

**(42) Financial instruments by category**
**(Rs. In Lakhs)**

| Particulars                      | 31st March, 2018 |              |                  | 31st March, 2017 |              |                  | 31st March, 2016 |              |                  |
|----------------------------------|------------------|--------------|------------------|------------------|--------------|------------------|------------------|--------------|------------------|
|                                  | FVPL             | FVOCI        | Amortised cost   | FVPL             | FVOCI        | Amortised cost   | FVPL             | FVOCI        | Amortised cost   |
| <b>Financial Assets :</b>        |                  |              |                  |                  |              |                  |                  |              |                  |
| Investment in equity instruments | -                | 12.15        | -                | -                | 11.87        | -                | -                | 20.87        | -                |
| Loans                            | -                | -            | 386.17           | -                | -            | 9.67             | -                | -            | 6.00             |
| Security Deposits                | -                | -            | 282.71           | -                | -            | 260.53           | -                | -            | 260.77           |
| Trade Receivables                | -                | -            | 1,575.89         | -                | -            | 1,217.58         | -                | -            | 1,688.86         |
| Cash and cash equivalents        | -                | -            | 179.72           | -                | -            | 697.47           | -                | -            | 317.39           |
| Balance with banks               | -                | -            | 104.14           | -                | -            | 105.58           | -                | -            | 13.73            |
| Other financial assets           | -                | -            | 618.59           | -                | -            | 1,833.95         | -                | -            | 2,196.53         |
| <b>Total</b>                     | <b>-</b>         | <b>12.15</b> | <b>3,147.22</b>  | <b>-</b>         | <b>11.87</b> | <b>4,124.78</b>  | <b>-</b>         | <b>20.87</b> | <b>4,483.28</b>  |
| <b>Financial Liabilities :</b>   |                  |              |                  |                  |              |                  |                  |              |                  |
| Borrowings                       | -                | -            | 9,337.86         | -                | -            | 9,150.20         | -                | -            | 7,079.39         |
| Security Deposit                 | -                | -            | 502.78           | -                | -            | 505.78           | -                | -            | 693.44           |
| Trade payable                    | -                | -            | 2,737.83         | -                | -            | 3,336.42         | -                | -            | 2,091.16         |
| Salary and Bonus to employees    | -                | -            | 48.29            | -                | -            | 52.47            | -                | -            | 82.99            |
| Other Liabilities                | -                | -            | 1,440.37         | -                | -            | 1,618.49         | -                | -            | 2,274.98         |
| <b>Total</b>                     | <b>-</b>         | <b>-</b>     | <b>14,067.13</b> | <b>-</b>         | <b>-</b>     | <b>14,663.36</b> | <b>-</b>         | <b>-</b>     | <b>12,221.96</b> |

**(43) - Capital management**

- (a) Risk Management : The company's objective when managing capital are to :
- Safeguard their ability to continue as a going concern of the company, so that they can provide returns for shareholders and benefits for other stakeholders
  - Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend to shareholders, return capital to shareholders or issue new shares.

- (b) Dividend: During the year, management of the company has decided not to declare any dividend and accumulated its profits for future projects and consolidates its operating efficiency.

**(44) Related Party disclosures:**

| Enterprises owned or significantly influenced by Key management Personal | Nature of relationship         |
|--------------------------------------------------------------------------|--------------------------------|
| Valley Strong Cements Ltd.                                               | Enterprises influenced by KMP. |
| Dony Polo Udyog Ltd.                                                     | Enterprises influenced by KMP. |
| Meghalaya Cements Ltd.                                                   | Enterprises influenced by KMP. |
| Om Infracon Pvt. Ltd.                                                    | Enterprises influenced by KMP. |
| Balaji Udyog Ltd.                                                        | Enterprises influenced by KMP. |
| North East Power & Infra Ltd.                                            | Enterprises influenced by KMP. |

|                                        | Nature of relationship                                                      |
|----------------------------------------|-----------------------------------------------------------------------------|
| <b>(II) Key Management Personnel :</b> |                                                                             |
| Sh. Kamakhya Chamaria                  | Vice Chairman and Managing Director                                         |
| Sh. Bijay Kumar Garodia                | Director                                                                    |
| Sh. Santosh Kumar Bajaj                | Director                                                                    |
| Sh. Mahendra Kumar Agarwal             | Vice Chairman                                                               |
| Sh. Prahlad Rai Chamaria               | Non- Executive Director                                                     |
| Sh. Tanuj Chamaria                     | Son of Sh. Kamakhya Chamaria, Vice Chairman and Managing Director           |
| Sh. Mukesh Kumar Shovasaria            | Chief Executive Officer                                                     |
| Sh. Sushil Kumar Kothari               | Chief Financial Officer (Resigned w.e.f. 26.02.2018)                        |
| Ms. Saakshi Manchanda                  | Company Secretary (joined w.e.f. 14.11.2016 and resigned w.e.f. 05.07.2018) |

Details of transactions between the company and related parties are as under:

**(Rs. In Lakhs)**

| S. No. | Type of transaction                                | Associates / Other Enterprises | Key Management Personnel / relatives |
|--------|----------------------------------------------------|--------------------------------|--------------------------------------|
| 1.     | Purchase of Raw Material/ semi/ finished goods     | 786.86<br>(1,183.99)           | ----                                 |
| 2.     | Repayment of Loan / Advances                       | 161.77<br>(328.68)             | ----                                 |
| 3.     | Loan & Advances received                           | 114.85<br>(434.31)             | --                                   |
| 4.     | Remuneration paid to directors and their relatives | ----                           | 37.50<br>(44.75)                     |
| 5.     | Remuneration paid to KMP                           | ----                           | 23.26<br>(17.13)                     |
| 5.     | Payment of Interest                                | 52.80<br>(27.36)               | --<br>--                             |

Note : Figures in bracket represent transactions of previous year.

(45) Company has received/ recognized Rs. Nil (Rs. 460.72 lakhs as at 31<sup>st</sup> March' 2017, Rs. 126.46 Lakhs as at 01<sup>st</sup> April' 2016) being 50% of company's claim for refund of excise duty as revenue in the books of accounts. Presently matter regarding company's claim for refund of differential Excise Duty is pending before the Hon'ble Supreme Court of India.

(46) **Financial risk management:** The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

(a) **Credit Risk** : Credit risk is the risk that counterparty 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 from trade receivables including deposits with banks and financial institutions and other financial instruments.

(i) **Trade receivables:** Customer credit risk is managed by the company through its established policy, procedures and control relating to customer credit risk management. Trade receivables are non interest bearing and are generally carrying 30-45 days credit term. Outstanding debtors are regularly monitored by the sales and collection team of the

company. Further the company receives security deposits from its customers which mitigate the credit risk. The ageing of trade receivables as of balance sheet date is as below:

(Rs. In Lakhs)

| Particulars                        | Less than 6 months | More than 6 months and up to 1 year | More than 1 year | Total Net carrying amount of trade Receivables |
|------------------------------------|--------------------|-------------------------------------|------------------|------------------------------------------------|
| As on 31 <sup>st</sup> March, 2018 | 948.08             | 165.06                              | 462.75           | 1,575.89                                       |
| As on 31 <sup>st</sup> March, 2017 | 645.39             | 85.47                               | 486.72           | 1,217.58                                       |
| As on 01 <sup>st</sup> April, 2016 | 1,242.88           | 51.61                               | 394.37           | 1,688.86                                       |

- (ii) Financial instruments and deposits: Credit risk from balance with banks and financial institutions is managed by the finance department of the company. Investments of surplus funds are made only with approved counterparties in accordance with the company's policy. Loans are given to body corporate as per the company policy and the receipt of repayment are reviewed on regular basis. Other financial assets are considered to be of good quality and there is no significant risk.
- (b) Liquidity Risk: Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Due to the nature of the underlying business, the company maintains sufficient cash and liquid investments available to meet its obligation. Management of the company regularly monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The company had access to the working capital facilities from the bank amounting Rs. 3,850.00 lakhs (Outstanding Rs. 4,076.00 lakhs as at 31<sup>st</sup> March'2018) which are expiring in one year, subject to the renewal of the same by the banking authorities. Working capital facility of two subsidiaries has already been expired due to non- servicing of interest. A part from the working capital facility, company has also following outstanding borrowings from banks and financial institutions:

(Rs. In Lakhs)

| Particulars                             | <u>31<sup>st</sup> March 2018</u> | <u>31<sup>st</sup> March 2017</u> | <u>31<sup>st</sup> March 2016</u> |
|-----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Borrowings                              | 2,225.64                          | 2,513.92                          | 2,812.42                          |
| Due within next one year (out of above) | 891.07                            | 920.63                            | 1,524.22                          |

- (c) Interest rate Risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As the company's borrowings except borrowing from market are fixed rate borrowings; they are carried out at amortised cost and are not subject to interest rate risk as defined in Ind AS 107.

The exposure of the company's financial liability to interest rate risk is as follows :

(Rs. In Lakhs)

| <u>Particulars</u>              | <u>31<sup>st</sup> March 2018</u> | <u>31<sup>st</sup> March 2017</u> | <u>31<sup>st</sup> March 2016</u> |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Variable rate(market) borrowing | 3,927.29                          | 3,610.60                          | 1,658.63                          |
| Fixed rate borrowings           | 2,225.64                          | 2,513.92                          | 2,812.42                          |
| Total                           | <u>6,152.93</u>                   | <u>6,124.52</u>                   | <u>4,471.05</u>                   |



**(47) Segment Report :**
**(Rs. In Lakhs)**

| S.n.  | Particulars                           | 2017-18   |         |          |                 | 2016-17   |         |          |                 |
|-------|---------------------------------------|-----------|---------|----------|-----------------|-----------|---------|----------|-----------------|
|       |                                       | Cement    | Power   | Others   | Total           | Cement    | Power   | Others   | Total           |
| A     | <b><u>Revenue (Gross)</u></b>         |           |         |          |                 |           |         |          |                 |
|       | External Sales                        | 15,178.64 | -       | 771.33   | 15,949.97       | 12,606.50 | -       | 582.49   | 13,188.99       |
|       | Inter Segment Sales                   | -         | -       | -        | -               | -         | -       | -        | -               |
|       | Total Revenue (Gross)                 | 15,178.64 | -       | 771.33   | 15,949.97       | 12,606.50 | -       | 582.49   | 13,188.99       |
| B     | <b><u>Results</u></b>                 |           |         |          |                 |           |         |          |                 |
|       | Segment Result                        | 1,200.25  | (60.45) | 15.46    | 1,155.26        | 853.25    | (68.74) | (33.37)  | 751.14          |
|       | Unallocated Expenses / (Incomes) Net  |           | -       | -        | (1.16)          | -         | -       | -        | 1.52            |
|       | <b>Operating Profit</b>               |           |         |          | <b>1,156.42</b> |           |         |          | <b>749.62</b>   |
|       | Interest & Finance Charges            | 1,052.24  | 67.45   | 225.17   | 1,344.86        | 691.01    | 42.64   | 201.00   | 934.65          |
|       | Provision for Taxation                | -         | -       | -        | 73.07           | -         | -       | -        | 54.88           |
|       | Income Tax reversal for earlier years | -         | -       | -        | (31.90)         | -         | -       | -        | -               |
|       | Deferred Tax (net)                    | -         | -       | -        | (1.50)          | -         | -       | -        | 33.13           |
|       | <b>Profit After Tax</b>               | -         | -       | -        | <b>(228.11)</b> | -         | -       | -        | <b>(273.04)</b> |
| C     | <b><u>Other Information</u></b>       |           |         |          |                 |           |         |          |                 |
| (i)   | Segment Assets                        | 17,847.54 | 764.63  | 8,328.73 | 26,940.90       | 18,438.78 | 784.02  | 8,351.98 | 27,574.78       |
|       | Unallocated/ Other Assets             | -         | -       | -        | -               | -         | -       | -        | -               |
|       | Total Assets                          | 17,847.54 | 764.63  | 8,328.73 | 26,940.90       | 18,438.78 | 784.02  | 8,351.98 | 27,574.78       |
| (ii)  | Segment Liabilities                   | 11,191.40 | 560.61  | 4,281.03 | 16,033.04       | 11,465.82 | 952.04  | 4,021.13 | 16,438.99       |
|       | Unallocated/ Other Liabilities        | -         | -       | -        | -               | -         | -       | -        | -               |
|       | Total Liabilities                     | 11,191.40 | 560.61  | 4,281.03 | 16,033.04       | 11,465.82 | 952.04  | 4,021.13 | 16,438.99       |
| (iii) | Capital Expenditure                   | 99.93     | -       | 258.77   | 358.70          | 3,010.38  | (0.48)  | 3.43     | 3,013.33        |
| (iv)  | Depreciation                          | 624.86    | 17.33   | 74.43    | 716.62          | 318.58    | 18.45   | 101.15   | 438.18          |

**(48) Additional information pursuant to Schedule -III to the Companies Act, 2013 are as under:**
**(Rs. In Lakhs)**

| Particulars                          | Net assets (total assets minus liabilities) |                  | Share in Profit or Loss          |                 | Other Comprehensive Income |             | Total Comprehensive Income (Loss) |                 |
|--------------------------------------|---------------------------------------------|------------------|----------------------------------|-----------------|----------------------------|-------------|-----------------------------------|-----------------|
|                                      | % of Consolidated Net Assets                | Rs. In Lacs      | % of Consolidated Profit or Loss | Rs. In Lacs     | % of Consolidated OCI      | Rs. In Lacs | % of Consolidated TCI             | Rs. In Lacs     |
| <b><u>Holding Company :</u></b>      |                                             |                  |                                  |                 |                            |             |                                   |                 |
| Barak Valley Cements Ltd.            | 60.79%                                      | 6,630.98         | (124.54)%                        | 284.12          | 100%                       | 0.20        | (124.74)%                         | 284.32          |
| <b><u>Subsidiary Companies :</u></b> |                                             |                  |                                  |                 |                            |             |                                   |                 |
| 1. Cement International Ltd.         | 0.23%                                       | 25.16            | 77.00%                           | (175.66)        | -                          | -           | 77.07%                            | (175.66)        |
| 2. Badarpur Energy Pvt. Ltd.         | 1.87%                                       | 204.02           | 56.09%                           | (127.96)        | -                          | -           | 56.14%                            | (127.96)        |
| 3. Meghalaya Minerals & Mines Ltd.   | -7.90%                                      | (862.09)         | 1.16%                            | (2.64)          | -                          | -           | 1.16%                             | (2.64)          |
| 4. Goombira Tea Co. Ltd.             | 13.82%                                      | 1,507.74         | 69.35%                           | (158.21)        | -                          | -           | 69.41%                            | (158.21)        |
| 5. Singlacheera Tea Co. Pvt. Ltd.    | 7.88%                                       | 859.74           | 10.53%                           | (24.03)         | -                          | -           | 10.54%                            | (24.03)         |
| 6. Chargolla Tea Co. Pvt. Ltd.       | 6.16%                                       | 671.86           | 10.41%                           | (23.74)         | -                          | -           | 10.42%                            | (23.74)         |
| 7. Valley Strong Cement (Assam) Ltd. | 17.15%                                      | 1,870.46         | -                                | -               | -                          | -           | -                                 | -               |
| <b>Total</b>                         | <b>100%</b>                                 | <b>10,907.87</b> | <b>100%</b>                      | <b>(228.12)</b> | <b>100%</b>                | <b>0.20</b> | <b>100%</b>                       | <b>(227.92)</b> |

(49) The Operations of 'Badarpur Energy Pvt. Ltd.' a wholly owned subsidiary was discontinued since July' 2014 due to lesser availability of required quality /quantity of biomass and still it is lying stopped. The Board of Directors of the Company has constituted a Committee to study and analyze the viability of the Plant and for deciding the future course of action. The company is confident to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

(50) The business operations of another subsidiary "Cement International Ltd.' were halted since June' 2016; which indicates the factors for impairment of assets. The company reviewed its carrying cost of assets on the basis of future earnings and business plans and on such review; management is of the view that in the current financial year impairment of assets is not considered necessary.

**(51) First time adoption of Ind AS :**

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2018, the comparative financial statements for the year ended 31<sup>st</sup> March 2017 and in the preparation of opening Ind AS Balance Sheet at 1<sup>st</sup> April, 2016.

In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act (Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed:**

Following are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

### A.1 Ind AS optional exemptions regarding Deemed Cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP except Land and building that measure as Fair value and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value except Land and building that measure as Fair value.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

The Company estimates in accordance with Ind ASs at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

### Reconciliation of Equity :

(Rs. In Lakhs)

| Particulars                                            | As at 31st March, 2017 | As at 01st April, 2016 |
|--------------------------------------------------------|------------------------|------------------------|
| Total equity (shareholder's fund) as per previous GAAP | <u>7,105.14</u>        | <u>7,423.21</u>        |
| Revaluation of PPE as per Ind AS                       | 4,163.74               | 4,163.74               |
| Adjustments in PPE due to Government Grant             | 104.63                 | 104.63                 |
| Adjustment of Stock Reserve                            | (2.26)                 | (1.11)                 |
| Re-measurement of Other Employee benefits              | 3.30                   | 8.75                   |
| Deferred income adjustment of Govt. grant              | (177.70)               | (177.70)               |
| Amortisation of government grant                       | 11.39                  | -                      |
| Depreciation adjustment                                | 56.46                  | -                      |
| Impairment of inventories                              | (131.30)               | (131.30)               |
| Fair value of Equity investment                        | (6.13)                 | 2.87                   |
| Deferred tax impact (net)                              | 8.54                   | (0.89)                 |
| <b>Total adjustments</b>                               | <b>4,030.66</b>        | <b>3,968.99</b>        |
| <b>Total Equity as per Ind AS</b>                      | <b>11,135.80</b>       | <b>11,392.19</b>       |

**Reconciliation of total comprehensive income as at 31st March, 2017**
**(Rs. In Lakhs)**

| Particulars                                     | 31st March, 2017 |
|-------------------------------------------------|------------------|
| Profit/ (Loss) as per previous Indian GAAP      | <u>(333.58)</u>  |
| Impact of depreciation on PPE                   | 56.46            |
| Stock Reserve                                   | (1.61)           |
| Remeasurement of other employee benefits        | (5.46)           |
| Amortization of Government grant                | 11.39            |
| Deferred Tax (Asset) / liability Impact         | (0.25)           |
| <b>Profit after tax as per Ind AS</b>           | <b>(273.04)</b>  |
| Other comprehensive (net of tax)                | (6.22)           |
| <b>Total Comprehensive income as per Ind AS</b> | <b>(279.26)</b>  |

Notes to first-time adoption:
**Note 1: Property, plant and equipment**

Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value except Land and building that measure as Fair value and the difference of the same are recognized in retained earnings.

**Note 2 : Government grant**

As per Ind AS 20, government grants related to assets shall be presented in the Balance Sheet by setting up the grant as deferred income. Hence the Company has accounted the government grant received towards assets as per the requirement of Ind AS -20 by creating a deferred government grant. In subsequent year this deferred government grant has been amortised over the useful life of the assets

**Note 3 : Impairment of financial assets**

In financial statements, company has revalued its property, plant and equipments and inventory at fair value as on 01st April' 2016 and resultant decrease in such valuation has been adjusted in Other Equity.

**Note 4 : Employee benefit obligation**

In accordance with Ind AS "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in profit or loss.

**Note 5: Investments in equity shares**

The Company holds investment in equity shares of entities other than in subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost.

As per Ind AS 109, these investments have been measured at fair value. The Company has categorised these investments as fair value through other comprehensive income (FVTOCI) and any changes in fair value of those investment has been recognised in other comprehensive income.

**Note 6: Deferred tax**

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 2,

the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Note 7 : Retained earnings**

Retained earnings as at 1 April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 8 : Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**(52) The information about Group's Subsidiaries as at 31 March' 2018 is as below:**

| Name of the Subsidiary            | Place of business and country of incorporation | Ownership Interest held by the company (%) |                              |                              | Principal activities                      |
|-----------------------------------|------------------------------------------------|--------------------------------------------|------------------------------|------------------------------|-------------------------------------------|
|                                   |                                                | 31 <sup>st</sup> March' 2018               | 31 <sup>st</sup> March' 2017 | 31 <sup>st</sup> March' 2016 |                                           |
| Cement International Ltd.         | India                                          | 100%                                       | 100%                         | 100%                         | Cement manufacturing                      |
| Valley Strong Cement (Assam) Ltd. | India                                          | 100%                                       | 100%                         | 100%                         | Cement manufacturing                      |
| Meghalaya Minerals & Mines Ltd.   | India                                          | 100%                                       | 100%                         | 100%                         | Extraction, Crushing of Lime stone.       |
| Badarpur Energy Pvt. Ltd.         | India                                          | 100%                                       | 100%                         | 100%                         | Generation and distribution of power.     |
| Goombira Tea Co. Ltd.             | India                                          | 100%                                       | 100%                         | 100%                         | Manufacturing and Growing of Tea, Rubber. |
| Singlacheera Tea Co. Pvt. Ltd.    | India                                          | 100%                                       | 100%                         | 100%                         | Tea, Rubber plantation.                   |
| Chargolla Tea Co. Pvt. Ltd.       | India                                          | 100%                                       | 100%                         | 100%                         | Tea, Rubber plantation.                   |

(53) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.

(54) The financial statements are approved by the Audit Committee at its meeting held on 01<sup>st</sup> June, 2018 and by the Board of Directors on the same date.

In terms of our report of even date

As per our report of even date  
**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
Partner  
M.No. 519203

**(Santosh Kumar Bajaj)**  
Director

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Saakshi Manchanda)**  
Company Secretary

**FORM NO. AOC-1**

**Statement containing salient features of financial statements of Subsidiary as per first proviso to Section 129 (3) of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 for the year ended 31st March' 2018**

**(Rs. In Lakhs)**

| S. No. | Name of Subsidiary Company (all Indian Subsidiary)                                                                           | Cement International Ltd. | Meghalaya Minerals & Mines Ltd. | Badarpur Energy Pvt. Ltd. | Valley Strong Cements (Assam) Ltd. | Goombira Tea Company Ltd. | Chargola Tea Company Pvt. Ltd. | Singlacherra Tea Company Pvt. Ltd. |
|--------|------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------|---------------------------|------------------------------------|---------------------------|--------------------------------|------------------------------------|
| 1      | Reporting period for the subsidiary concerned, if different from holding company's reporting period                          | N.A                       | N.A                             | N.A                       | N.A                                | N.A                       | N.A                            | N.A                                |
| 2      | Reporting currency and exchange rate as on the last date of the relevant Financial year in each case of foreign subsidiaries | N.A                       | N.A                             | N.A                       | N.A                                | N.A                       | N.A                            | N.A                                |
| 3      | Share Capital                                                                                                                | 99.27                     | 149.00                          | 496.33                    | 47.43                              | 51.35                     | 7.42                           | 7.63                               |
| 4      | Reserves & Surplus                                                                                                           | 867.17                    | 362.13                          | (792.31)                  | 1,818.18                           | 1,600.53                  | 600.01                         | 658.96                             |
| 5      | Total Assets                                                                                                                 | 2,231.12                  | 2,227.60                        | 776.18                    | 1,874.11                           | 3,834.51                  | 824.49                         | 1,243.42                           |
| 6      | Total Liabilities                                                                                                            | 1,264.68                  | 1,716.47                        | 1,072.16                  | 8.51                               | 2,182.63                  | 217.06                         | 576.83                             |
| 7      | Investments (excluding investment in subsidiary companies)                                                                   | -                         | -                               | -                         | -                                  | -                         | -                              | -                                  |
| 8      | Turnover (gross)                                                                                                             | -                         | 1,161.29                        | -                         | -                                  | 444.04                    | 11.01                          | 65.62                              |
| 9      | Profit/ (Loss) before Taxation                                                                                               | (206.00)                  | (3.73)                          | (127.96)                  | -                                  | (158.21)                  | (23.74)                        | (24.03)                            |
| 10     | Provision for Taxation/ Deferred Tax                                                                                         | (30.34)                   | (1.09)                          | -                         | -                                  | -                         | -                              | -                                  |
| 11     | Profit/ (Loss) after Taxation                                                                                                | (175.66)                  | (2.64)                          | (127.96)                  | -                                  | (158.21)                  | (23.74)                        | (24.03)                            |
| 12     | Proposed Dividend                                                                                                            | -                         | -                               | -                         | -                                  | -                         | -                              | -                                  |
| 13     | % of Shareholding                                                                                                            | 100%                      | 100%                            | 100%                      | 100%                               | 100%                      | 100%                           | 100%                               |

**Note:** Valley Strong Cements (Assam) Ltd., a subsidiary of the Company, is yet to commence its operations

As per our report of even date  
**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**For & on behalf of the Board of Directors**

**(CA. Anjali Yadav)**  
 Partner  
 M.No. 519203

**(Santosh Kumar Bajaj)**  
 Director

**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**Gurgaon, 01st June' 2018**

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Saakshi Manchanda)**  
 Company Secretary



## BARAK VALLEY CEMENTS LIMITED

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CIN : L01403AS1999PLC005741

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### ROUTE MAP FOR THE VENUE OF 18TH ANNUAL GENERAL MEETING

Address : 202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007





## COURIER



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