Embracing
CHALLENGES

Megha Technical and Engineers Private Limited
Annual Report 2017-18

Forward-looking statement

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

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

Contents

Corporate Information

CIN : U27107ML2002PTC006976

Board of Directors

Mr. Pankaj Kejriwal, Managing Director

Mr. Hari Prasad Agarwal, Director

Mr. Rajesh Kumar Agarwal, Director

Mr. Mangilal Jain, Director

Mr. Santanu Ray, Director

Mr. Edmund Carmel Suja, Director

Chief Financial Officer

Mr. Vivek Lahoti

Company Secretary

Mr. Mohit Mahana

Auditors

M/s. D. K. Chhajer & Co.
Chartered Accountants
Nilhat House, 11, R.N. Mukherjee Road,
Kolkata – 700 001

Bankers

State Bank of India

Registered Office & Works

Vill:-Lumshnong, P.O. Khaliehriat
Dist :- East Jaintia Hills
Meghalaya – 793 210

Corporate Office

'Satyam Towers' 1st Floor, Unit No. 9B
3, Alipore Road
Kolkata – 700 027

Guwahati Office

Mayur Garden, 2nd Floor,
Opp. Rajiv Bhawan,
G.S. Road, Guwahati – 781 005

Delhi Office

281, Deepali
Pitampura
New Delhi – 110034

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting Sixteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss for the year ended on that date.

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 31st 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.

Financial Highlights

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

(₹ in lacs)

Particulars	2017-18	2016-17
Net Sales/Income	3215.41	18441.22
Profit before Depreciation, Interest and Tax	556.68	913.40
Depreciation	188.90	296.64
Interest and Finance Charges	40.55	106.36
Profit/(Loss) before Tax	327.23	510.40
- Current Tax	97.97	529.01
- Deferred Tax	-	-
Profit/(Loss) after Tax	229.26	(18.61)
Other comprehensive income for the year, net of tax	680.71	404.91
Total comprehensive income for the year	909.98	385.58

Amalgamation

Your Company has taken a proposal for merger of the Company with M/s. Star Cement Limited, Holding Company with effect from 1st April, 2018, i.e., the Appointed Date. The Scheme is subject to necessary statutory and regulatory approvals including approval of the Hon'ble National Company Law Tribunal. Since both the Companies are engaged in the business of cement manufacturing, upon the scheme becoming effective the business of both the Company can be carried more efficiently and economically as one entity.

Indian Cement Industry

India is the second largest producer of cement in the world. Cement industry plays a vital role in the development of Indian economy. Post deregulation in 1982, the Industry has been attracted huge investment from the country and abroad. The country has a lot of potentials for development in cement sector as there are enormous scope for development in infrastructure, housing and construction sectors. On the back of increasing demand, the cement sector in India has seen many investments and developments. In the view of increasing demand in various sectors like housing, infrastructure, commercial and industrial construction, cement industry is expected to reach 500-600 MTPA by 2025.

Government's various initiatives like "Smart cities", "Housing for All', "Financial Inclusion programmes targeting poors at large", "Make in India", etc., friendlier laws, lower taxation and increased budgetary allocation and infrastructural spending will lead the sector forward.

Operational Performance

During the year under review, your Company produced 33,004 MT of Cement as against 3,17,161 MT in the previous year. In the year 2017-18, your Company has dispatched 34,634 MT of cement and sold 38,324 MT of cement as compared to 3,16,856 MT of cement and 3,28,259 MT of cement respectively recorded in the previous year. During the year under review, your Company reported under utilization of production capacity which was mainly due to fall in market demand and lower volume of sales hence the performance was not up to the mark.

During the Financial Year under review, your Company's revenue stood at ₹2070.98 lacs as against ₹17,042.84 lacs. The profit before tax stood at ₹327.23 as against ₹510.40 lacs during the previous year.

Marketing Performance

Your Company markets its product under the Brand name "STAR CEMENT" under a Brand agreement with its holding Company M/s. Star Cement Limited (SCL). Your Company along with its holding Company SCL undertook a lot of marketing initiatives during the year under review.

SCL launched unique Brand Campaign named "Bhaag North East Bhaag" in North East. This was North East's first International Half Marathon and people in thousands participated in the event with the Honourable Chief Minister of Assam Mr. Sarbananda Sonowal and Bollywood Star Bipasha Basu flagging off the event.

Brand "STAR CEMENT" continued to enjoy its market leadership in North Eastern Region.

Share Capital

The paid up Equity Share Capital as on March 31, 2018 was ₹2,734.64 Lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

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 **Annexure-1**.

Meetings of the Board

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company. During the year, Five (5) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The meetings were held on 29th May, 2017, 03rd August, 2017, 11th September, 2017, 13th November, 2017 and 06th February, 2018.

The composition of the Board and the attendance details of the members are given below:

Name of the Director	Designation	No. of meetings	
		Held	Attended
Mr. Pankaj Kejriwal	Managing Director	5	1
Mr. Hari Prasad Agarwal	Non - Executive Director	5	4
Mr. Rajesh Kumar Agarwal	Non - Executive Director	5	4
Mr. Edmund Carmel Suja	Non - Executive Director	5	2
Mr. Mangilal Jain	Independent Director	5	5
Mr. Santanu Ray	Independent Director	5	4

Meetings of Independent Directors

During the year under review, a meeting of Independent Directors was held on 06th 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 assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

Compliance with the Secretarial Standards

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

Directors' Responsibility 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:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- The Directors have selected such accounting policies and have 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 31st March, 2018 and of the profit and loss of the Company for the year under review;
- The Directors have 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;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

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. Mangilal Jain and Mr. Santanu Ray are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Employees

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

Auditors & Auditors' Report

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Fifteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th 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.

Cost Auditors

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, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2018 in the Board Meeting held on 29th May, 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 11th September, 2017.

M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) have expressed their willingness and confirmed their eligibility to be appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) 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 filed with the Ministry of Corporate Affairs on 19.09.2017

Particulars of Loans, Guarantees or Investments

The Investments made in and Loans given by your Company to its Holding and Fellow Subsidiary falling under ambit of Section 186 (2) of the Companies Act, 2013 were within the limits prescribed.

Details of Investments and loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

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.

Reserves

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

Dividend

In order to conserve resources to meet operational requirement, your Directors do not recommend any dividend for the year under review.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

(A) Steps taken towards Conservation of energy:

- Optimization of start stop time of equipment has resulted into reduction in idle running.

(B) Steps taken toward Technical Absorption:

- Trial conducted for development of value added cement products.
- Optimization of Fly ash feeding system in mill outlet has reduced the variation in feed hence the color and quality consistency has increased.
- The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems and quality improvement. During the year under review, your Company incurred Revenue Expenditure of ₹1.47 lacs and Capital expenditure of NIL in Research & Development.

(C) Foreign Exchange Earnings and Outgo:

During the period under review, there were no Foreign Exchange earnings (Previous Year Nil) and no Foreign Exchange Outgo (Previous year ₹0.70 lacs).

Corporate Social Responsibility (CSR)

Your Company believe that the literacy is key to the progress and without reaching the education at the remote part of the country, a nation cannot progress. Therefore, your Company is promoting education and providing non-formal education to the rural and tribal people through One Teacher School (OTS) i.e., Ekal Vidyalaya run by the Friends of Tribal Society. The projects aims to reach the education to every doorstep of the country

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked **Annexure- 2**.

Performance Evaluation of the Board

In accordance with the requirements of the Companies Act, 2013, the performance evaluation of the Board was carried out during the year under review. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee. The evaluation reflected the overall engagement of the Board and the Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajesh Kumar Agarwal will retire by rotation and being eligible offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

The following personnel are Key Managerial Personnel of the Company:

1. Mr. Pankaj Kejriwal – Managing Director
2. Mr. Vivek Lahoti – Chief Financial Officer
3. Mr. Mohit Mahana – Company Secretary

Holding Company

M/s Star Cement Limited (Formerly Cement Manufacturing Company Limited) remains the Holding Company with 100% stake in your Company.

Subsidiaries, Associates and Joint Venture

The Company has no Subsidiaries, Associate Company and Joint Ventures.

Deposits

During the year under report, the Company has not accepted any deposits from public or from any of the Members of the Company falling under the ambit of Section 73 of the Companies Act, 2013.

Changes Impacting Going Concern Status and Company's Operations

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

There were no material changes and commitments affecting the financial position of the Company during the period under review.

Adequacy of Internal Financial Control

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. 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 recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Internal Control Over Financial Reporting

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

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.

Risk Management

Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

Committees of the Board

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process.

During the year, the Committee met Four (4) times on 29th May, 2017, 03rd August, 2017, 13th November, 2017 and 06th February, 2018. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of meetings	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	4	3
Mr. Mangilal Jain	Independent	Member	4	4
Mr. Hari Prasad Agarwal	Non-Independent	Member	4	4

- **Vigil mechanism**

  A Vigil (Whistle Blower) mechanism provides a formal mechanism to the Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

b. Nomination & Remuneration Committee

The Committee identifies, screens and review individuals who are qualified to become Directors, Key managerial Personnel and Senior Management staff. The Committee also makes recommendations to the Board for such appointment and removal and carries out evaluation of every director performance.

During the year, the Committee met on 29th May, 2017. The composition of the Committee and the attendance details of the members are given below:

Name	Category	Chairman/ Members	No. of meetings	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	1	1
Mr. Mangilal Jain	Independent	Member	1	1
Mr. Hari Prasad Agarwal	Non-Independent	Member	1	1

c. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for the implementation / monitoring and review of the policy and the activities undertaken under the CSR policy as framed by the Company.

During the year, the Committee met on 06th February, 2018. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of meetings	
			Held	Attended
Mr. Hari Prasad Agarwal	Non-Independent	Chairman	1	1
Mr. Rajesh Kumar Agarwal	Non-Independent	Member	1	1
Mr. Santanu Ray	Independent	Member	1	1

Human Resource Development & Industrial Relations

Employee relationship in your Company continues to remain cordial and harmonious. Your Company's human resource management systems and process aim to enhance organizational performance. Your Directors place on record their appreciation for the valuable services rendered by the workmen and employees at all levels for their valuable support and expect their sustenance in years ahead.

Particulars of Employees

The 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 **Annexure- 3** and forms part of this report. The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Acknowledgement

Your Directors wish to acknowledge and are grateful for continuous support received from the shareholders, banks, financial institutions, dealers, suppliers and other stakeholders. Your directors recognize and appreciate the hard work and efforts put in by all the employees of the Company and their contribution towards the progress of the organization.

For and on behalf of the Board of Directors

Hari Prasad Agarwal
Director
(DIN: 00266005)

Pankaj Kejriwal
Managing Director
(DIN: 00383635)

Place: Kolkata
Date: 17 May, 2018

Annexure – 1

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

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

I. Registration & Other Details:

1	CIN	U27107ML2002PTC006976
2	Registration Date	13th December, 2002
3	Name of the Company	Megha Technical & Engineers Private Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt. Company
5	Address of the Registered office & contact details	Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 - 278215
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	NA

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company are stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Cement	23941	99

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	Star Cement Limited (SCL) (Formerly Cement Manufacturing Company Limited) Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210"	L26942ML2001PLC006663	Holding	100.00	2(46)

IV. Share Holding Pattern (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) *Individual/ HUF	-	1	1	0.00	-	1	1	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	2,73,46,399	2,73,46,399	100.00	-	2,73,46,399	2,73,46,399	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of promoter (A) = (A) (1) + (A) (2)	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public shareholding (B) =(B) (1) + (B) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**	**2,73,46,400**	**2,73,46,400**	**100.00**	**-**

** 1 Individual holding one share as nominee of Star Cement Limited, Holding Company*

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding 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	Star Cement Limited*	2,73,46,400	100.00	-	2,73,46,400	100.00	-	-
	Total	**2,73,46,400**	**100.00**	**-**	**2,73,46,400**	**100.00**	**-**	**-**

** Star Cement Limited holds 100% share along with the nominee Mr. Edmund Carmel Suja*

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

There are no changes in the Promoters' Shareholding during the Financial Year 2017-18

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			Not applicable			
	Changes during the year						
	At the end of the year						

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	**Mr. Pankaj Kejriwal (Managing Director)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	
2.	**Mr. Hari Prasad Agarwal (Non-Executive Director)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	
3.	**Mr. Rajesh Kumar Agarwal (Non-Executive Director)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	
4.	**Mr. Mangilal Jain (Independent Director)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5.	**Mr. Santanu Ray (Independent Director)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	
6.	**Mr. Edmund Carmel Suja* (Non-Executive Director)**						
	At the beginning of the year	01.04.2017		1	0.00	-	
	Changes during the year		No change during the year				
	At the end of the year	31.03.2018		1	0.00	1	0.00
7.	**Mr. Vivek Lahoti (Chief Financial Officer)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	
8.	**Mr. Mohit Mahana (Company Secretary)**						
	At the beginning of the year	01.04.2017		-		-	
	Changes during the year						
	At the end of the year	31.03.2018		-		-	

** Mr. Edmund Carmel Suja holding one share as nominee of Star Cement Limited, Holding Company*

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

*** Trade Deposits have not been included*

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mr. Pankaj Kejriwal	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	40.20	40.20
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**40.20**	**40.20**
	Ceiling as per the Act	5% of the Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹16.33 lacs	

B. Remuneration to other Directors (Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Santanu Ray	Mr. Mangilal Jain	Mr. Edmund Carmel Suja	
1	Independent Directors				
	Fee for attending Board /Committee meetings	0.38	0.43	-	0.80
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**0.38**	**0.43**	**-**	0.80
2	Other Non-Executive Directors				
	Fee for attending Board /Committee meetings	-	-	0.10	0.10
	Commission	-	-	-	-
	Others, (remuneration paid for availing professional services)	-	-	2.40	2.40
	Total (2)	**-**	**-**	**2.45**	**2.45**
	Total (B)=(1+2)	**0.38**	**0.43**	**2.50**	**3.30**
	Total Managerial Remuneration				45.30
	Overall ceiling as per the Act	11% of Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹35.93 lacs			

Note: The remuneration paid to the Managing Director of the Company is according to the effective capital of the Company as calculated under Schedule V, Part II of the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Vivek Lahoti	Mr. Mohit Mahana	
	Designation	**CFO**	**CS**	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33.40	7.72	41.12
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**33.40**	**7.72**	**41.12**

VIII. Penalties / Punishment/ Compounding of Offences:

(Amt. ₹/Lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
There were no penalities/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 – 2

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. **A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes :**

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. Your company's CSR strategy ensures compliance with ethical standards in business practices; minimising environmental impacts and waste; addresses the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities; and helping underprivileged communities to become resilient and self-reliant

2. **The composition of the CSR Committee**
   - Mr. Hari Prasad Agarwal - Chairman
   - Mr. Rajesh Kumar Agarwal - Non-Executive Director
   - Mr. Santanu Ray - Independent Director

3. **Average Net Profit of the Company for last 3 financial years:** ₹1048.92 Lacs

4. **Prescribed CSR expenditure (2% of amount):** ₹20.98 Lacs

5. **Details of CSR activities/projects undertaken during the year:**

   a) Total amount to be spent for the financial year: ₹20.98 Lacs

   b) Amount un-spent, if any: Nil

   c) Manner in which the amount spent during financial year is detailed below: (₹ in Lacs)

1	2	3	4	5	6	7	8
Sl. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects/Programs** **1.Local area or other** **2.Specify the state and district where project or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs** **Sub-heads:** **1. Direct expenditure on projects or programs,** **2. Overheads:**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct/ through implementing agency***
1.	**Education Project:** To provide non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya.	Education	Throughout Country	25.00	25.00	25.00	Through implementing agency i.e. Friends of Tribal Society

***Details of implementing Agency:** Friends of Tribal Society

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Hari Prasad Agarwal
Chairman – CSR Committee
(DIN: 00266005)

Rajesh Kumar Agarwal
Director
(DIN: 00223718)

Place: Kolkata
Date: 17 May, 2018

Statement of Particulars of Employees

Pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lacs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Pradeep Purohit	Vice President - SCM	62.50	Permanent	B.Com; GDIMM	30	15.11.2004	51	T&I Limited	NIL	None
2	Mr. Vivek Lahoti	Assistant General Manager - Finance & Accounts	33.40	Permanent	CA	20	01.10.2008	43	Ambuja Cement Limited	NIL	None
3	Mr. Sanjay Kumar Chourasia	Manager - Quality Control	13.78	Permanent	B. Sc	19	06.09.2010	41	Adhunik Cement Limited	NIL	None
4	Mr. Souren Ghosh	Senior Executive - Finance & Accounts	9.69	Permanent	B. Com	17	23.02.2007	39	Japha Comfeed India Private limited	NIL	None
5	Mr. Manoj Purohit	Assistant Manager - Logistic	9.38	Permanent	B.Com, Diploma in IIMM	10	16.11.2007	49	Self employed	NIL	None
6	Mr. Debanik Sarkar	Senior System Officer - IT	9.28	Permanent	BA, Diploma in Networking	12	20.06.2006	36	Xenities Infotech Private Limited	NIL	None
7	Md. Shaikh Nazrul Islam	Assistant Manager - Branding	8.39	Permanent	B. Com	16	10.09.2014	40	DDB Marketing Services Private Limited	NIL	None
8	Mr. Utpal Borkakati	Assistant Manager-Finance & Accounts	7.81	Permanent	B.Com; M.Com	16	11.04.2009	44	Ozone Ayurvedis Limited.	NIL	None
9	Mr. Mohit Mahana	Company Secretary & compliance Officer	7.72	Permanent	B.Com, CS & LLB	8	15.09.2015	30	Great Eastern Energy Corporation Limited	NIL	None
10	Mr. Vishal Gaurav	Assistant Manager	7.70	Permanent	B.Com; MBA (Finance & Mktg)	11	11.09.2007	34	Airtel	NIL	None

FINANCIAL SECTION

Independent Auditors' Report

To the Members of
MEGHA TECHNICAL & ENGINEERS PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Megha Technical & Engineers Private 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 (hereinafter referred to as "the Ind AS Financial Statements").

Management's Responsibility for the 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 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) prescribed 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 appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 have conducted our audit of the Ind AS financial statements 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 March 31, 2018, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 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, Kailash B. Goel & Co. whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 2, 2016 respectively expressed an unmodified opinion on those standalone financial statements, 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 and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flows Statement dealt with by this Report are in-agreement with the books of account.

   (d) In our opinion, the accompanying 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 to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements Refer Note-43 to Ind AS financial statements..

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **D.K. Chhajer& Co**
Chartered Accountants
Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date : 17 May, 2018

ANNEXURE – A TO INDEPEDENT AUDITORS' REPORT

Referred to in Independent Auditors' Report of even date to the members of Megha Technical & Engineers Private Limited on the financial statements for the year ended March 31, 2018

i. In respect of the Company's fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets 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 the nature of its assets. No material discrepancies have been 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.

ii. The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.

iii. The Company has granted loans to two bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013('the Act').

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b) The loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.

c) There are no overdue amounts in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.

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

v. The Company has not accepted deposits within the meaning of Sections 73 to 76 of the 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.

vi. 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. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, value added 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 were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, excise duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us, the following dues of excise duty and entry tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	51.31	2008-09 & 2009-10	CESTAT
The Central Excise Act, 1944	Excise Duty	182.83	July'09 to March'14	Commissioner, Central Excise & Service Tax, Shiilong
West Begal Tax On Entry Of Goods Into Local Areas Act, 2012.#	Entry Tax	7.99	Apr-'13 to June'17	Kolkata High Court

#liability has been provided for

viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company has not issued any debentures.

ix. The Company has not raised any money by way of initial public offer/ further public offer (including debt instruments)/term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year

xi. The Company has paid/provided in accordance with the requisite approvals mandated by the provisions of sec 197 read with Schedule V of the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According the information & explanation given to us and the records of the Company examined by us, no money was raised through preferential allotment/private placements of shares/fully/partly convertible debentures during the year under review, hence, the provisions of Clause 3(xiv) of the said order is not applicable to the Company.

xv. According the information & explanation given to us and the records of the Company examined by us, company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **D.K. Chhajer& Co**
Chartered Accountants
Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date : 17 May, 2018

ANNEXURE – B TO THE INDEPENDENT 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 Megha Technical & Engineers Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. 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 anunderstanding 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(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 preparationof 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 March 31, 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 **D.K. Chhajer& Co**
Chartered Accountants
Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date : 17 May, 2018

Balance Sheet as at March 31, 2018

(₹ in Lacs)

Particulars	Note No.	31-Mar-18	31-Mar-17	01-Apr-16
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3(a)	2,129.63	2,297.91	2,450.78
(b) Capital work-in-progress		60.19	107.05	86.71
(c) Intangible assets	3(b)	0.05	0.08	0.22
(d) Financial assets				
(i) Investments	4	10,316.91	9,444.75	8,960.93
(ii) Loans	5	14,361.41	14,501.23	13,809.02
(iii) Other financial assets	6	25.90	25.75	1.82
(e) Deferred tax assets (net)	7	1,623.79	1,868.48	2,357.17
(f) Non-current tax assets (net)	8	134.37	70.01	129.97
(g) Other non-current assets	9	44.37	92.04	120.75
Total non-current assets		**28,696.62**	**28,407.30**	**27,917.37**
Current assets				
(a) Inventories	10	217.66	656.85	1,301.77
(b) Financial assets				
(i) Trade receivables	11	71.82	984.49	1,677.42
(ii) Cash and cash equivalents	12	179.78	272.88	528.21
(iii) Loans	13	328.76	334.26	384.05
(c) Other current assets	14	1,113.06	1,415.52	2,246.09
Total current assets		**1,911.08**	**3,664.00**	**6,137.54**
Total assets		**30,607.70**	**32,071.30**	**34,054.91**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	2,734.64	2,734.64	2,734.64
(b) Other equity	16	27,526.18	26,616.20	26,230.62
Total equity		**30,260.82**	**29,350.84**	**28,965.26**
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	17	41.02	920.21	1,565.32
(b) Employee benefit obligations	18	15.86	19.58	11.02
(c) Other non current liabilities	19	71.36	92.89	125.00
Total non-current liabilities		**128.24**	**1,032.68**	**1,701.34**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	-	-	1,196.63
(ii) Trade payables		6.70	814.80	884.44
(iii) Other financial liabilities	21	137.03	449.55	901.52
(b) Employee benefit obligation	22	37.04	43.82	38.05
(c) Other current liabilities	23	37.87	379.61	367.67
Total current liabilities		**218.64**	**1,687.78**	**3,388.31**
Total liabilities		**346.88**	**2,720.46**	**5,089.65**
Total equity and liabilities		**30,607.70**	**32,071.30**	**34,054.91**
Significant accounting policies and notes on accounts	1 & 2			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For & on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
Firm Registration No. 304138E

Vivek Lahoti
Chief Financial Officer

Hari Prasad Agarwal
Director
DIN: 00266005

Niraj K Jhunjhunwala
Partner
Membership No : 057170
Place: Kolkata
Date : 17 May, 2018

Mohit Mahana
Company Secretary

Pankaj Kejriwal
Managing Director
DIN: 00383635

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lacs)

	Note No.	31-Mar-18	31-Mar-17
INCOME			
Revenue from operations	24	2,070.98	17,042.84
Other income	25	1,144.43	1,398.38
Total revenue		**3,215.41**	**18,441.22**
EXPENSES			
Cost of materials consumed	26	772.02	7,601.93
(Increase)/ decrease in inventories	27	240.29	717.08
Excise duty		96.57	1,402.59
Employee benefit expenses	28	852.53	1,665.99
Finance costs	29	40.55	106.36
Depreciation and amortisation expenses	30	188.90	296.64
Other expenses	31	697.31	6,140.23
Total expenses		**2,888.18**	**17,930.82**
Profit before tax		**327.23**	**510.40**
Tax expenses	32		
- Current tax		97.97	170.05
- Deferred tax		-	358.96
Total tax expenses		**97.97**	**529.01**
Profit for the year		**229.26**	**(18.61)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	34	(4.85)	(5.31)
Changes in fair value of equity instruments (FVOCI)		872.16	483.82
Income tax relating to these items	32	(186.59)	(74.33)
Other comprehensive income for the year, (net of tax)		**680.72**	**404.19**
Total comprehensive income for the year		**909.99**	**385.58**
Earnings per equity share (Face value of ₹10/- each)	**33**		
Basic earning per share (in ₹)		0.84	(0.07)
Diluted earning per share (in ₹)		0.84	(0.07)
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For & on behalf of the Board of Directors

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Partner
Membership No : 057170
Place: Kolkata
Date : 17 May, 2018

Mohit Mahana
Company Secretary

Pankaj Kejriwal
Managing Director
DIN: 00383635

Cash Flow Statement for the year ended 31 March, 2018

(₹ in Lacs)

	Particulars	31-Mar-18	31-Mar-17
A	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) before Tax	327.23	510.40
	Adjustments for :		
	Depreciation and amortisation (Refer note 30)	188.90	296.64
	Interest income (Refer note 25)	(1,136.84)	(1,389.40)
	Income Tax for earlier year	-	(358.93)
	Interest expenses (Refer note 29)	40.55	106.36
	Government grant written off	0.40	-
	Allowance for bad & doubtful debts	11.84	-
	(Profit)/Loss on sale of property, plant and equipment	(0.63)	(1.89)
	Operating Profit before Working Capital changes	**(568.55)**	**(836.82)**
	Adjustments for :		
	(Increase) / decrease in Trade receivables	900.83	692.93
	(Increase) / decrease in Inventories	439.19	644.92
	(Increase) / decrease in Other receivables	145.16	(362.10)
	(Increase) / decrease in Other assets	246.05	883.20
	(Increase) / decrease in Trade & other payables	(1,970.84)	(1,097.07)
	(Increase) / decrease in Other liability	(375.86)	(30.72)
	Cash Generated from Operations	**(1,184.02)**	**(105.66)**
	Income Tax paid	-	-
	Net Cash flow from Operating Activities	**(1,184.02)**	**(105.66)**
B	**Cash flow from Investing Activities**		
	(Purchase)/sale of property,plant and equipment (including WIP) - Net	(5.22)	(212.01)
	Interest received	1,136.84	1,389.40
	Fixed Deposit / margin money given/matured	(0.15)	(23.93)
	Net Cash used in Investing Activities	**1,131.47**	**1,153.46**
C	**Cash Flow from Financing Activities**		
	Interest paid	(40.55)	(106.36)
	Proceeds from / (Repayment of) long term borrowings	-	(0.14)
	Proceeds from / (Repayment of) working capital borrowings	-	(1,196.63)
	Net Cash used in Financing Activities	**(40.55)**	**(1,303.13)**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(93.10)**	**(255.33)**
	Cash and Cash Equivalents (Refer note 12)		
	Opening Balance	**272.88**	**528.21**
	Closing Balance	**179.78**	**272.88**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For & on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
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Vivek Lahoti
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Partner
Membership No : 057170

Mohit Mahana
Company Secretary

Pankaj Kejriwal
Managing Director
DIN: 00383635

Place: Kolkata
Date : 17 May, 2018

Statement of Changes in Equity for the year ended 31 March, 2018

A. Equity share capital

(₹ in Lacs)

Particulars	Amount
As at 1 April, 2016	2,734.64
Changes in equity share capital	-
As at 31 March, 2017	**2,734.64**
Changes in equity share capital	-
As at 31 March, 2018	**2,734.64**

B. Other equity

(₹ in Lacs)

Particulars	Reserve and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1 April, 2016	21,447.17	4,783.45	26,230.62
Profit for the year (a)	(18.61)	-	(18.61)
Other comprehensive income (net of Tax) (b)	(3.55)	407.74	404.19
Total comprehensive income for the year (a + b)	(22.16)	407.74	385.58
Balance as at 31 March, 2017	**21,425.01**	**5,191.19**	**26,616.20**

(₹ in Lacs)

Particulars	Reserve and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01 April, 2017	21,425.01	5,191.19	26,616.20
Profit for the year (a)	229.26	-	229.26
Other comprehensive income (b)	(3.44)	684.16	680.71
Total comprehensive income for the year (a + b)	225.82	684.16	909.98
Balance as at 31 March, 2018	**21,650.83**	**5,875.35**	**27,526.18**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For & on behalf of the Board of Directors

For D. K. Chhajer & Co.
Chartered Accountants
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Vivek Lahoti
Chief Financial Officer

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Partner
Membership No : 057170

Mohit Mahana
Company Secretary

Pankaj Kejriwal
Managing Director
DIN: 00383635

Place: Kolkata
Date : 17 May, 2018

Notes to Financial Statements

Corporate information

Megha Technical & Engineers Private Limited is a private limited company domiciled in India and incorporated on 13.12.2002 under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing of cement and generation of power. The manufacturing unit is located at Lumshnong, Meghalaya. The company is selling its product across north eastern and eastern states of India.

1. Significant Accounting Policies

1.1 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 44 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:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) 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.

1.2 Use of Estimates

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

1.3 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction 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 asset to its working condition for intended use.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Capital Work In Progress

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

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 capitalised.

Notes to Financial Statements *(contd.)*

Depreciation

Depreciation on Property, plant and equipment is provided on written down value method for cement division and on straight line method for power division in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof'. Depreciation is provided on components that have homogenous useful lives by using the WDV/SLM method so as to depreciate the initial cost down to the residual value over the estimated useful lives. 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.

1.4 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 and finished goods are valued at lower of cost and net realisable 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.

1.5 Trade receivables

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

1.6 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

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. 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) at fair value through other comprehensive income. However where the company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

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.

1.7 Financial liabilities

Initial recognition and measurement

The company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

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.

1.8 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

Employee's benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the statement of profit and loss account 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in 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.

Notes to Financial Statements *(contd.)*

1.9 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

1.10 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. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.12 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.

1.13 Intangible Asset

Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased / developed software is written off over a period of three years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.14 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Star Cement Limited's functional and presentation currency.

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences are dealt within the Statement of Profit & Loss. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates. All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the policy of accounting of exchange differences arising on reporting of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 in keeping with the previous GAAP, as set out below:

The Company has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipments are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

1.15 Taxes on Income

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 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.

1.16 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. Generally, sales take place when goods are dispatched or delivery is handed over to transporter.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

1.17 Government Grants / Subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants, if any granted by way of recoupment / reimbursement of any item of expenditure are recognized in the Statement of Profit and Loss by way of deduction from related item of expenses. Grants related to assets which are recognized in the Statement of Financial Position as deferred income, are recognized to the Statement of profit or loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

1.18 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit & Loss and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

1.19 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 measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material 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.

1.20 Segment Reporting

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

1.21 Cash & 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 investments / deposits with an original maturity of three months or less.

1.22 Earnings Per Share

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

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

1.23 In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

1.24 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 disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the company.

1.25 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.

Notes to Financial Statements *(contd.)*

1.26 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.

1.27 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. Recent Accounting Developments

Standards issued but not yet effective

Ind AS 115:- Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21:- Foreign currency transactions and advance consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

3: Property, plant and equipment

(₹ in Lacs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
Gross carrying value											
At 1 April 2016 (Deemed Cost)	221.04	712.86	748.37	697.37	10.19	3.02	6.01	1.44	44.98	5.50	2,450.78
Additions	163.46	1.76	-	28.54	-	1.75	0.66	-	4.45	-	200.62
Disposals/deductions/ adjustments	-	-		-	-	0.93	1.73	-	7.93	-	10.59
At 31 March 2017	**384.50**	**714.62**	**748.37**	**725.91**	**10.19**	**3.84**	**4.94**	**1.44**	**41.50**	**5.50**	**2,640.81**
Additions	-	-	52.96	1.70	-	1.00	-	-	2.13	-	57.79
Disposals/deductions/ adjustments	-	-	-	-	-	-	-	-	21.59	-	21.59
At 31 March 2018	**384.50**	**714.62**	**801.34**	**727.60**	**10.19**	**4.84**	**4.94**	**1.44**	**22.04**	**5.50**	**2,677.01**
Accumulated Depreciation											
At 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	68.99	36.01	221.86	3.21	1.08	1.88	-	11.73	1.69	346.45
Disposals/deductions/ adjustments	-	-	-	-	-	0.92	1.69	-	0.94	-	3.55
At 31 March 2017	**-**	**68.99**	**36.01**	**221.86**	**3.21**	**0.16**	**0.19**	**-**	**10.80**	**1.69**	**342.90**

Notes to Financial Statements *(contd.)*

3: Property, plant and equipment *(Contd.)*

(₹ in Lacs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
Charge for the year	-	62.31	34.38	112.81	1.99	1.01	0.69	-	7.09	0.69	220.97
Disposals/deductions/ adjustments	-	-	-	-	-	-	-	-	16.50	-	16.50
As at 31 March 2018	-	131.30	70.39	334.67	5.20	1.17	0.88	-	1.39	2.38	547.38
Net carrying value											
At 1 April 2016	221.04	712.86	748.37	697.37	10.19	3.02	6.01	1.44	44.98	5.50	2,450.78
At 31 March 2017	384.50	645.64	712.36	504.04	6.98	3.68	4.75	1.44	30.70	3.82	2,297.91
At 31 March 2018	384.50	583.32	730.95	392.93	4.99	3.67	4.06	1.44	20.65	3.12	2,129.63

3.1 : Intangible Assets

(₹ in Lacs)

Particulars	Intangible Assets
Gross carrying value	
At 1 April 2016 (Deemed Cost)	0.22
Additions	-
Disposals/deductions/adjustments	-
At 31 March 2017	**0.22**
Additions	-
Disposals/deductions/adjustments	-
At 31 March 2018	**0.22**
Accumulated Amortisation	
At 1 April 2016	-
Charge for the year	0.14
Disposals/deductions/adjustments	-
At 31st March 2017	**0.14**
Charge for the year	0.03
Disposals/deductions/adjustments	-
At 31 March 2018	**0.17**
Net Block	
At 1 April 2016	**0.22**
At 31 March 2017	**0.08**
At 31 March 2018	**0.05**

Note :

a. During the year Company has sold Property, plant and equipment amounting to ₹5.93 lacs (Mar 31,2017 -₹15.21 lacs, Apr 1, 2016 -₹15.21 lacs).

b. For Property, plant and equipment and Intangiable assets existing as on April 1,2016, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.Refer Note 44 under Ind AS 101 Exemption Applied.

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 4 - Investment in fellow subsidiary	31-Mar-18	31-Mar-17	01-Apr-16
Investments in unquoted equity shares (FVOCI)			
Star Cement Meghalaya Limited	10,316.91	9,444.75	8,960.93
37,29,162 equity shares (37,29,162 as at 31 March 2017, 37,29,162 as at 1 April 2016) of ₹10 each fully paid up			
	10,316.91	**9,444.75**	**8,960.93**

Total non-current investments			
Aggregate amount of unquoted investments	10,316.91	9,444.75	8,960.93

(₹ in Lacs)

Note: 5 - Loans - non current	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good	-		
- Security deposits	0.66	1.23	1.02
-Loans to related parties	14,360.75	14,500.00	13,808.00
	14,361.41	**14,501.23**	**13,809.02**

5.1 Terms of loan to related parties is long term in nature which is repayable in 3 Years.

(₹ in Lacs)

Note: 6 - Other financial assets - non current	31-Mar-18	31-Mar-17	01-Apr-16
Deposits with original maturity of more than 12 months	25.90	25.75	1.82
	25.90	**25.75**	**1.82**

(₹ in Lacs)

Note: 7 - Deferred tax assets (net)	31-Mar-18	31-Mar-17	01-Apr-16
Deferred tax assets			
MAT credit entitlement	3,082.02	3,138.71	3,551.32
Deferred tax liabilies			
Fair valuation of equity shares	(1,458.23)	(1,270.23)	(1,194.15)
Deferred tax assets	**1,623.79**	**1,868.48**	**2,357.17**

(₹ in Lacs)

Note: 8 - Non-current tax assets (net)	31-Mar-18	31-Mar-17	01-Apr-16
Advance income tax (net of provision for taxation of ₹523.22 lacs as at 31 March 2018, ₹426.66 lacs as at 31 March, 2017 and ₹1,461.96 lacs as at 1 April 2016)	134.37	70.01	129.97
	134.37	**70.01**	**129.97**

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 9 - Other non-current assets	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Deposits with statutory authority	26.81	26.81	26.34
Capital advances	17.56	65.23	94.41
	44.37	**92.04**	**120.75**

(₹ in Lacs)

Note: 10 - Inventories	31-Mar-18	31-Mar-17	01-Apr-16
Raw materials	29.71	133.89	78.88
Finished goods (Including in transit Nil, 31 March 2017: ₹27.53 Lacs, 1 April 2016 : ₹232.06 Lacs)	10.97	251.27	968.35
Fuels, packing materials, etc.	80.46	146.55	136.69
Stores and spares parts	96.52	125.14	117.85
	217.66	**656.85**	**1,301.77**

(₹ in Lacs)

Note: 11 - Trade receivables	31-Mar-18	31-Mar-17	01-Apr-16
a) **Secured**			
Considered good	23.52	493.22	470.19
	23.52	**493.22**	**470.19**
b) **Unsecured**			
Considered good	48.30	491.27	1,207.23
Considered doubtful	90.22	78.38	78.38
Less: Allowance	(90.22)	(78.38)	(78.38)
	48.30	**491.27**	**1,207.23**
	71.82	**984.49**	**1,677.42**

(₹ in Lacs)

Note: 12 - Cash and cash equivalents	31-Mar-18	31-Mar-17	01-Apr-16
Cash in hand	7.23	10.12	6.80
Cheques in hand	81.72	73.03	365.44
Balances with banks			
- Current accounts	90.83	189.73	155.97
	179.78	**272.88**	**528.21**

(₹ in Lacs)

Note: 13 - Loans - current	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured considered good			
- Security deposit	328.76	334.26	384.05
	328.76	**334.26**	**384.05**

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 14 - Other current assets	31-Mar-18	31-Mar-17	01-Apr-16
Advances to suppliers	7.74	1.47	18.34
Advances for services and expenses	9.33	13.51	124.71
Advances to related parties	-	-	53.70
Advances to employees	11.15	11.43	15.12
Less: Allowance for doubtful advances	(7.02)	(7.02)	(6.16)
Prepaid expenses	19.09	12.67	8.22
Subsidies/ incentives receivable from central/ state government	70.99	160.74	305.97
Balances with/ receivable from statutory/ government authorities	862.94	1,083.89	1,515.43
Claims due from central government	138.83	138.83	210.76
	1,113.06	**1,415.52**	**2,246.09**

(₹ in Lacs)

Note: 15 - Equity share capital	31-Mar-18	31-Mar-17	01-Apr-16
1. Authorised capital			
3,50,00,000 (as at 31 March 2017 and 3,50,00,000 as at 1 April 2016) Equity Shares of ₹10/- each	3,500.00	3,500.00	3,500.00
2. Issued, subscribed & fully paid up shares			
2,73,46,400 equity shares (2,73,46,400 as at 31 March 2017, 2,73,46,400 as at 1 April 2016) Equity Shares for ₹10/- each fully paid up in cash. The shares are held by the Holding Company, M/s Star Cement Limited (formerly Cement Manufacturing Company Limited)and its nominee.	2,734.64	2,734.64	2,734.64

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of Equity shares is entitlled to one vote per share. The Company declares and pays dividend in Indian Rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

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 proprtion to the number of equity shares held by the shareholders.

b) Reconciliation of the shares outstanding and of the begining and at the end of the reporting period

Equity Shares	No. of Shares	No. of Shares	No. of Shares
At the beginning of the year	2,73,46,400	2,73,46,400	2,73,46,400
Issued during the year	-	-	-
Outstanding at the end of the year	**2,73,46,400**	**2,73,46,400**	**2,73,46,400**

c) Shares held by Holding Company

Name of the Holding Company	No. of Shares	No. of Shares	No. of Shares
Star Cement Limited (Formerly Cement Manufacturing Company Limited)	2,73,46,400	2,73,46,400	2,73,46,400

Notes to Financial Statements *(contd.)*

Note: 15 – Equity share capital *(Contd.)*

d) Details of Shareholders holding more than 5% of Equity Share capital

Name of the share holders	No. of Shares % of holding	No. of Shares % of holding	No. of Shares % of holding
Star Cement Limited (Formerly Cement Manufacturing Company Limited)	2,73,46,400	2,73,46,400	2,73,46,400
	(100%)	(100%)	(100%)

As per records of the company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership.

Note: 16 – Other equity

(₹ in Lacs)

Reserve and surplus	31-Mar-18	31-Mar-17
Retained earnings		
Opening balance	21,425.01	21,447.17
Profit/(loss) for the year	229.26	(18.61)
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of post-employment benefit obligations (net of tax)	(3.44)	(3.55)
Total reserves and surpus	**21,650.83**	**21,425.01**

Items of other comprehensive income	31-Mar-18	31-Mar-17
Equity Instruments through Other Comprehensive Income		
Opening balance	5,191.19	4,783.45
Change in fair value of equity instruments (FVOCI)	872.16	483.82
Deferred tax	(188.00)	(76.08)
	5,875.35	**5,191.19**
Total other equity	**27526.18**	**26616.20**

Equity instruments through other comprehensive income

16.1 The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments (FVOCI) reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

(₹ in Lacs)

Note: 17 – Other financial liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Security deposit	41.02	920.21	1,565.32
	41.02	**920.21**	**1,565.32**

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 18 – Employee benefit obligations	31-Mar-18	31-Mar-17	01-Apr-16
Provisions for employee benefits			
- Gratuity	15.86	19.58	11.02
	15.86	**19.58**	**11.02**

(₹ in Lacs)

Note: 19 – Other non current liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Deferred government grant	71.36	92.89	125.00
	71.36	**92.89**	**125.00**

(₹ in Lacs)

Note: 20 – Borrowings	31-Mar-18	31-Mar-17	01-Apr-16
Working capital facilities from a bank (secured)			
- Cash credit	-	-	1,196.63
		-	**1,196.63**

As on 1 April 2016, working capital facilities were secured by first charge on current assets and second charge on property, plant and equipment of the Company is cement grinding unit at Lumshnong, Meghalaya. The working capital facilities have also been guaranteed by its Holding Company, M/s Star Cement Limited (Formerly Cement Manufacturing Company Limited).

(₹ in Lacs)

Note: 21 – Other financial liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long term borrowings	-	-	0.14
Others			
-Retention money	9.39	11.19	13.92
-Salary and bonus to employees	23.14	47.65	27.75
-Other liabilities	104.51	390.71	859.71
	137.03	**449.55**	**901.52**

(₹ in Lacs)

Note: 22 – Employee benefit obligation	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:-			
- Leave encashment	30.18	36.90	35.41
- Gratuity	6.86	6.92	2.64
	37.04	**43.82**	**38.05**

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 23 - Other current liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Current portion of Deferred government grant	21.53	32.11	49.95
Statutory Liabilities (including excise duty on finished goods Nil, ₹2.36 Lacs as at 31 March 2017, ₹1.97 Lacs as at 1 April 2016)	14.53	195.30	286.84
Advances from customers	1.81	152.20	30.88
	37.87	**379.61**	**367.67**

(₹ in Lacs)

Note: 24 - Revenue from operations	31-Mar-18	31-Mar-17
Sale of products	2,062.63	16,985.59
Other operating income		
-Shortage recovery of cement	8.35	57.25
	2,070.98	**17,042.84**

(₹ in Lacs)

Note: 25 - Other income	31-Mar-18	31-Mar-17
Interest income on financial assets measured at amortised cost		
- Loans	1136.84	1,389.40
Miscellaneous income	7.59	8.98
	1144.43	**1,398.38**

(₹ in Lacs)

Note: 26 - Cost of materials consumed	31-Mar-18	31-Mar-17
Inventory at the beginning of the year	133.89	78.88
Add : Purchases	667.84	7,656.94
	801.73	**7,735.82**
Less : Inventory at the end of the year	29.71	133.89
	772.02	**7,601.93**

(₹ in Lacs)

Note: 27 - (Increase)/ decrease in inventories	31-Mar-18	31-Mar-17
Opening stock	251.27	968.35
Closing stock	10.97	251.27
	240.29	**717.08**

Notes to Financial Statements *(contd.)*

(₹ in Lacs)

Note: 28 – Employee benefit expenses	31-Mar-18	31-Mar-17
Salaries and wages	796.46	1,593.88
Contribution to provident fund and other funds	34.24	38.88
Welfare expenses	21.83	33.23
	852.53	**1,665.99**

(₹ in Lacs)

Note: 29 – Finance costs	31-Mar-18	31-Mar-17
Interest expense		
- On loan	40.55	100.34
Other finance costs	-	6.02
	40.55	**106.36**

(₹ in Lacs)

Note: 30 – Depreciation and amortization expenses	31-Mar-18	31-Mar-17
Depreciation on property,plant and equipment (Refer Note 3(a))	188.87	296.50
Amortisation on intangible assets (Refer Note 3(b))	0.03	0.14
	188.90	**296.64**

30.1 Depreciation is net off amortisation of government grants amounting to ₹32.11 as at 31 March, 2018 (₹49.95 lacs as at 31 March, 2017)

(₹ in Lacs)

Note: 31 – Other expenses	31-Mar-18	31-Mar-17
Consumption of stores & spare parts	19.60	39.99
Packing materials	63.73	528.00
Power & fuel	141.59	967.04
Repairs & maintenance		
- Building	5.99	12.54
- Plant & machinery	0.03	6.85
- Others	12.06	11.39
Insurance	25.49	19.72
Rent, rates & taxes	58.63	243.41
Heavy vehicle / equipment running expenses	19.35	22.98
Excise duty variation on opening/closing stock	-	(61.77)
Research and Development Expenses	1.47	5.70
Charity & donation	0.11	62.04
Corporate social responsibility (Refer note 41)	25.00	19.00
Travelling and conveyance	55.18	86.31
Advertisement & publicity	20.26	53.29
Sales promotion expenses	19.65	194.77
Outward freight charges	115.63	3,713.23
Commission, discount & incentives on sale	16.10	117.27
Miscellaneous expenses (Refer note 42)	97.44	98.46
	697.31	**6,140.23**

Notes to Financial Statements *(contd.)*

Note: 32 – Tax expense

(₹ in Lacs)

Particulars	31- Mar-18	31- Mar-17
(A) Current tax		
Current tax on profits for the year	97.97	170.05
Total current tax expense	**97.97**	**170.05**
(B) Deferred tax		
Deferred tax	-	358.96
Total deferred income tax expense/ (benefit)	**-**	**358.96**
Tax Expenses	**97.97**	**529.01**

32.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in Lacs)

Particulars	31- Mar-18	31- Mar-17
Profit before tax	327.23	510.40
Tax at the Indian tax rate of 33.063% (2016-2017 - 33.063%)	**108.19**	**168.75**
Differences on which no deferred tax has been recognised	(15.41)	17.39
Items not deductible/taxable under tax	5.19	(15.45)
Tax credit of earlier years reversed	-	358.96
Additional deductions under provisions of the income tax act	-	(0.64)
Income tax expenses	**97.97**	**529.01**

32.2 The tax rate used for the year 2016-17 and 2017-18 reconciliation above is the corporate tax rate 33.063% (30%+surchage 7% + education cess @3%) payable on taxable profit under the Income Tax Act,1961.

32.3 Unrecognised temporary differences (₹ in Lacs)

Particiulars	31- Mar-18	31- Mar-17
Unrecognised Deferred tax asset on temporary differences	7.50	12.72

Note: 33 – Earnings per share

(a) Basic earnings per share (₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share attributable to the equity holders of the Company (in ₹)	0.84	(0.07)

(b) Diluted earnings per share (₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	0.84	(0.07)

(c) Reconciliations of earnings used in calculating earnings per share (₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	229.26	(18.61)
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	229.26	(18.61)

Notes to Financial Statements *(contd.)*

Note: 33 - Earnings per share *(contd.)*

(d) Weighted average number of equity shares used as the denominator

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,73,46,400	2,73,46,400
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,73,46,400	2,73,46,400

Note: 34 - Disclosure as per Ind AS 19, 'Employees Benefit'

(a) Leave obligations and Leave travel allowance

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Leave obligations not expected to be settled within the next 12 months	28.30	32.83	33.00

(b) Post-employment obligations

(i) 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 scheme is funded with an insurance company.

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2016	48.47	(34.81)	13.66
Current service cost	9.27		9.27
Interest expense/(income)	3.88	(2.78)	1.09
Total amount recognised in profit or loss	**13.14**	**(2.78)**	**10.36**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74
Actuarial (gain)/loss from change in financial assumptions	3.61	-	3.61
Actuarial (gain)/loss from unexpected experience	0.96	-	0.96
Total amount recognised in other comprehensive income	**4.57**	**0.74**	**5.31**
Employer contributions/ premium paid	-	(2.83)	(2.83)
Benefits paid	(9.70)	9.70	-
31 March 2017	**56.48**	**(29.98)**	**26.50**

Notes to Financial Statements *(contd.)*

Note: 34 – Disclosure as per Ind AS 19, 'Employees Benefit' *(contd.)*

(₹ in Lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2017	56.48	(29.98)	26.50
Current service cost	5.99	-	5.99
Interest expense/(income)	4.11	(2.32)	1.78
Total amount recognised in profit or loss	**10.10**	**(2.32)**	**7.77**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.63)	(0.63)
Actuarial (gain)/loss from change in financial assumptions	(1.46)	-	(1.46)
Actuarial (gain)/loss from unexpected experience	6.94	-	6.94
Total amount recognised in other comprehensive income	**5.48**	**(0.63)**	**4.85**
Employer contributions/ premium paid	-	(16.41)	(16.41)
Benefits paid	(6.98)	6.98	-
31 March 2018	**65.08**	**(42.36)**	**22.72**

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows: (₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	7.75%	7.50%	8.00%
Expected return on plan asset	7.75%	7.50%	8.00%
Salary growth rate	6.00%	6.00%	6.00%
Withdrawal Rate	1%-8%	1%-8%	1%-8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table	IALM (2006-08) Table

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (₹ in Lacs)

Particulars	Impact on defined benefit obligation			
	31 Mar 2018		31 Mar 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(59.71)	71.31	(49.55)	64.65
Salary growth rate (-/+ 1%)	70.91	(60.04)	63.78	(50.05)
Withdrawal Rate (-/+ 1%)	65.99	(64.04)	57.10	(55.97)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitvity analysis did not change compared to the prior period.

(iv) The major categories of plans assets

The defined benefit plans are funded with an insurance company of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Notes to Financial Statements *(contd.)*

Note: 34 - Disclosure as per Ind AS 19, 'Employees Benefit' *(contd.)*

(v) Risk exposure

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

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

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.

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2019 are ₹14.27 lacs.

The weighted average duration of the defined benefit obligation is 5.69 years (31 March 2017: 9.05 years , 1 April 2016 – 9.19 years).

The expected maturity analysis of undiscounted gratuity is as follows: (₹ in Lacs)

Particulars	Less than a year	Between 2- 5 years	Over 5 years
31 March 2018	4.13	18.82	35.83
31 March 2017	4.2	-	52.28
1 April 2016	1.35	2.18	44.94

Note : 35 - Fair Value Measurement

Financial instruments by category (₹ in Lacs)

Particulars	31-Mar-18			31-Mar-17			01-Apr-16		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments in unquoted equity instruments	-	10,316.91	-	-	9,444.75	-	-	8,960.93	-
Security deposits	-	-	329.42	-	-	335.49	-	-	385.07
Other deposit	-	-	25.90	-	-	25.75	-	-	1.82
Loans	-	-	14,360.75	-	-	14,500.00	-	-	13,808.00
Trade receivable	-	-	71.82	-	-	984.49	-	-	1,677.42
Cash and cash equivalent	-	-	179.78	-	-	272.88	-	-	528.21
	-	**10,316.91**	**14,967.66**	**-**	**9,444.75**	**16,118.60**	**-**	**8,960.93**	**16,400.52**
Financial liabilities									
Security deposits	-	-	41.02	-	-	920.21	-	-	1,565.32
Borrowing	-	-	-	-	-	-	-	-	1,196.77
Trade payable	-	-	6.70	-	-	814.80	-	-	884.44
Retention money	-	-	9.39	-	-	11.19	-	-	13.92
Salary and bonus to employees	-	-	23.14	-	-	47.65	-	-	27.75
Other liabilities	-	-	104.50	-	-	390.71	-	-	859.71
	-	**-**	**184.74**	**-**	**-**	**2,184.56**	**-**	**-**	**4,547.92**

Notes to Financial Statements *(contd.)*

Note : 35 – Fair Value Measurement *(contd.)*

(i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.
- the fair value of all assets and liabilities

(iii) Fair value of financial assets and liabilities measured at fair value – recurring fair value measurements (₹ in Lacs)

Particulars	31-Mar-18			31-Mar-17			01-Apr-16		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investment in equity instruments	-	-	10,316.91	-	-	9,444.75	-	-	8,960.93
Total financial assets	**-**	**-**	**10,316.91**	**-**	**-**	**9,444.75**	**-**	**-**	**8,960.93**

(iv) Fair value of financial assets and liabilities measured at amortised cost (₹ in Lacs)

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security Deposits and margin money	26.56	26.56	26.98	26.98	2.84	2.84
Total financial assets	**14,387.30**	**26.56**	**14,526.98**	**26.98**	**13,810.84**	**2.84**
Financial liabilities						
Security Deposit	41.02	41.02	920.21	920.21	1,565.32	1,565.32
Total financial liabilities	**41.02**	**41.02**	**920.21**	**920.21**	**1,565.32**	**1,565.32**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying amounts of loans given are at floating rate of interest hence are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

Notes to Financial Statements *(contd.)*

Note : 36 – Capital Management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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 dividends paid to shareholders, return capital to shareholders or issue new shares .

The amount mentioned under total equity in Balance Sheet is considered as Capital.

Note: 37 – Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring of Company's performance

(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 trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Company receives security deposit from its customers which mitigates the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lacs)

Particulars	Not due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Provision	Total
As on 31 March, 2018	-	-	139.60	22.44	(90.22)	71.82
As on 31 March, 2017	802.89	93.79	3.54	162.65	(78.38)	984.49
As on 1 April, 2016	1,122.54	465.15	2.19	165.92	(78.38)	1,677.42

Notes to Financial Statements *(contd.)*

Note: 37 – Financial risk management *(contd.)*

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March, 2017 and 31 March, 2016 is the carrying amounts as illustrated in Note 35.

(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 another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Floating Rate	-	-	-
- Expiring within one year (bank overdraft and other facilities)	-	-	1,003.37

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lacs)

Contractual maturities of financial liabilities – 31 March, 2018*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	6.70				6.70
Other liabilities	137.03				137.03
Total financial liabilities	**143.73**	**-**	**-**	**-**	**143.73**

Notes to Financial Statements *(contd.)*

Note: 37 – Financial risk management *(contd.)*

(₹ in Lacs)

Contractual maturities of financial liabilities – 31 March, 2017*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	814.80	-	-	-	814.80
Other liabilities	449.55	-	-	-	449.55
Total financial liabilities	**1,264.36**	**-**	**-**	**-**	**1,264.36**

(₹ in Lacs)

Contractual maturities of financial liabilities – 1 April, 2016*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	884.44	-	-	-	884.44
Borrowings	1,196.77	-	-	-	1,196.77
Other liabilities	901.38	-	-	-	901.38
Total financial liabilities	**2,982.59**	**-**	**-**	**-**	**2,982.59**

* Security deposits received from customers has not been included in the above maturity profile as the repayment of the same cannot be reasonably estimated.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 1 April 2016, the Company's borrowings at variable rate were mainly denominated in ₹

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Variable rate borrowings	-	-	1,197.00
Total borrowings	**-**	**-**	**1,197.00**

(iii) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through other comprehensive income. The Company has investment in unqouted equity securities. The Company's Board of Directors reviews and approves all investment decisions.

Notes to Financial Statements *(contd.)*

Note: 37 – Financial risk management *(contd.)*

Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

(₹ in Lacs)

Particulars	Impact on total comprehensive income before tax	
	31 Mar 2018	31 Mar 2017
Increase by 5% (2017: 5%)	515.85	472.24
Decrease by 5% (2017: 5%)	(515.85)	(472.24)

* Holding all other variables constant

Note: 38 – Related Party Disclosures

	Names of the Related parties where control exists	Nature of relationship
A.	**Star Cement Limited (SCL)**	Holding Company
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
	Meghalaya Power Limited (MPL)	Fellow Subsidiary
	NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	Star Century Global Cement Private Limited	Fellow Subsidiary
B.	**Other related parties**	
i	**Enterprises influenced by KMP of parent company**	
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
	Star India Cement Limited	Enterprises influenced by KMP
ii	**Key Management Personnel**	
	Mr. Pankaj Kejriwal	Managing Director
	Mr. Vivek Lahoti	Chief Financial Officer
	Mr. Mohit Mahana	Company Secretary
iii	**Key Management Personnel of Parent Company**	
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Sanjay Kumar Gupta	Chief Executive Officer
	Mr. Dilip Kumar Agarwal	Chief Financial Officer (Upto 13.11.17)
	Mr. Manoj Agarwal	Company Secretary (Upto 02.08.17), Chief Financial Officer w.e.f 13.11.17
	Mr. Debabrata Thakurta	Company Secretary w.e.f 03.08.17

Notes to Financial Statements *(contd.)*

Note: 38 - Related Party Disclosures *(contd.)*

During the year following transactions were carried with the related parties in the ordinary course of business. Disclosure of transactions between the Company and the related parties and the status of their outstanding balances.

(₹ in Lacs)

Sl. No.	Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Purchase Transactions						
	SCL	4.94	20.21	-	-	-	-
	SCML	-	-	922.76	8,965.65	-	-
	MPL	-	-	100.74	970.18	-	-
2	Services Received						
	SCL	0.77	6.57	-	-	-	-
	SCML	-	-	1.19	8.49	-	-
3	Loans Given						
	SCL	425.00	200.00	-	-	-	-
	MPL	-	-	-	500.00	-	-
	SCML	-	-	-	-	-	-
4	Loans Received Back						
	SCL	490.00	1,150.00	-	-	-	-
	SCML	-	-	600.00	-	-	-
5	Interest Received						
	SCL	1,034.53	1,308.05	-	-	-	-
	MPL	-	-	43.95	3.46	-	-
	SCML	-	-	38.60	62.05	-	-
6	Remuneration Paid						
	Mr. Pankaj Kejriwal	-	-	-	-	40.20	42.00
	Mr. Vivek Lahoti	-	-	-	-	33.40	31.49
	Mr. Mohit Mahana	-	-	-	-	7.72	5.82

(₹ in Lacs)

Sl. No.	Type of Transactions	Holding Company			Fellow Subsidiaries		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
	Balance Outstanding						
A	Advance to Suppliers						
	SCML	-	-	-	-	-	53.70
	MPL	-	-	-	6.19	-	-
B	Sundry Creditors						
	MPL	-	-	-	-	11.19	-
	SCML	-	-	-	-	256.95	-
C	Loans Given						
	SCL	13,860.75	13,400.00	13,208.00	-	-	-
	MPL	-	-	-	500.00	500.00	-
	SCML	-	-	-	-	600.00	600.00
D	Share Capital						

Notes to Financial Statements *(contd.)*

Note: 38 - Related Party Disclosures *(contd.)*

(₹ in Lacs)

Sl. No.	Type of Transactions	Holding Company			Fellow Subsidiaries		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
	SCL	2,734.64	2,734.64	2,734.64	-	-	-
E	**Investments**						
	SCML	-	-	-	10,316.91	9,444.75	8,960.93
F	**Guarantee Obtained**						
	SCL	-	-	1,800.00	-	-	-

* Investment measured at fair value.

C. Key management personnel compensation

	31-Mar-18	31-Mar-17
Short-term employee benefits	80.48	79.31
Post-employment benefits *	-	-
Long-term employee benefits*	-	-
Total compensation	**80.48**	**79.31**

Note :

* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the Company as a whole and hence segregation is not available.

Note: 39 - Assets pledged/hypothecated as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in Lacs)

Particulars	1- Apr-2016
Current	
Financial assets	
First charge	
Trade receivables	1677.42
Inventory	1301.77
Cash & Cash Equivalents	528.21
Other financial assets	384.05
Other current assets	2246.09
Total current assets	**6137.54**
Non-current	
Second charge	
Property, plant and equipment	2537.71
Total non-currents assets	**2537.71**
Total assets pledged as security	**8675.25**

Note-

The working capital limit of the Company was surrendered during the year FY 2016-17 which was secured by first charge on current assets and second charge on property, plant and equipment of the Company's cement grinding unit at Lumshnong, Meghalaya.

Notes to Financial Statements *(contd.)*

Note: 40 - Contingent liabilities & commitments

(₹ in Lacs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17	1-Apr-16
1	Claims against the company not acknowledged as debts-Excise / VAT / Income Tax matters etc.	259.04	234.14	240.40
2	Solvent surety furnished to Excise Department against differential excise duty refund [Refer (a) below]	653.46	632.13	1,211.20

(a) The Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12 September, 2012, has directed the Excise Department to release 50% of the disputed amount of excise duty against furnishing of solvent surety. Based on the said judgment of the Hon'ble High Court, the Company has furnished solvent surety to the excise department against the refund of 50% of differential excise duty.

(b) Based on legal opinion / decisions in similar cases, the Management believes that the company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

Note: 41 - Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the Company during the year is ₹20.99 lacs (31 March 2017: ₹18.61 Lacs, 1 April 2016: ₹39.38 lacs)

b) Amount spent during the year on:

(₹ in Lacs)

Sl. No.	Nature of Expenditure	2017-18	2016-17
(i)	Education	25.00	-
(ii)	Amount spent through Trust. (Areas covered - Disaster relief, healthcare, biodiversity, animal welfare, etc.)	-	19.00
		25.00	**19.00**

Note: 42 - Payments to Auditors

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17
As Auditor		
-Audit Fees	2.50	2.50
-Tax Audit Fees		1.00
In Other Capacity		
Certification and other services	-	1.80
	2.50	**5.30**

Notes to Financial Statements *(contd.)*

Note: 43 – Segment report

(₹ in Lacs)

Sl. No.	Particulars	2017-18				2016-17				2015-16			
		Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total
1	External Revenue	-	2,050.19	-	2,050.19	-	17,038.70	-	17,038.70				
	Inter Segment Adjustment	20.79	-	-	20.79	4.14	-	-	4.14				
	Total Revenue	20.79	2,050.19	-	2,070.98	4.14	17,038.70	-	17,042.84				
2	Results Profit/ (Loss)	(58.11)	(615.77)	-	(673.87)	(58.20)	(550.15)	-	(608.35)				
3	Interest & Finance Charges (Net)	-	-	1,103.24	1,103.24	-	-	1,290.13	1,290.13				
4	Other un-allocable expenses net of unallocable income	-	-	(102.13)	(102.13)	-	-	(171.38)	(171.38)				
5	Total Profit before Tax	-	-	-	327.24	-	-	-	510.40				
6	Other Information												
	-Segment Assets	196.20	20,094.58	10,316.91	30,607.69	254.31	22,372.21	9,444.75	32,071.27	312.52	24,781.46	8,960.93	34,054.91
	-Segment Liabilities	-	346.88	-	346.88	-	2,720.45	-	2,720.45	-	5,089.65	-	5,089.65
	-Capital Expenditure	-	(13.44)	-	(13.44)	-	204.81	-	204.81	-	(6.48)	-	(6.48)
	-Depreciation	53.92	134.98	-	188.90	53.92	292.66	-	346.58	54.72	350.50	-	405.23

Notes :

(a) Business Segments: The business segments have been identified on the basis of the products/activities of the Company. Accordingly, the Company has identified following business segments

Cement - Manufacturing of Cement

Power - Generation of Power

(b) Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Note : 44 – First-time adoption of Ind AS

I – Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS Balance Sheet as at 1 April 2016 (date of transition). 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 (as amended) and other relevant provisions of the Act (previous GAAP or 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.

Notes to Financial Statements *(contd.)*

Note : 44 - First-time adoption of Ind AS *(contd.)*

A. Exemptions and exceptions availed

Set below 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 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.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

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

Ind AS estimates 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 exits at the date of transition to Ind AS.

B. Reconciliation

Reconciliation of equity as at 31 March 2017 (₹ in Lacs)

Particulars	Notes	Amount
Total equity under previous GAAP		**24,284.65**
Deferred government grant	1	(174.94)
Unamortisation of deferred government grant	1	49.95
Fair valuation of investment	2	6,461.42
Deferred tax asset/(liability) on adjustment	4	(1,270.23)
Total adjustments		**5,066.19**
Total equity as per Ind AS		**29,350.84**

Reconciliation of equity as at 1 April 2016 (₹ in Lacs)

Particulars	Notes	Amount
Total equity under previous GAAP		**24,356.75**
Deferred government grant	1	(174.94)
Fair valuation of investment	2	5,977.60
Deferred tax asset/(liability) on adjustment	4	(1,194.15)
Total adjustments		**4,608.51**
Total equity as per Ind AS		**28,965.26**

Notes to Financial Statements *(contd.)*

Note : 44 – First-time adoption of Ind AS *(contd.)*

Reconciliation of total comprehensive income as at 31 March 2017 (₹ in Lacs)

Particulars	Notes	Amount
Profit After Tax under previous GAAP		**(72.11)**
Unamortisation of deferred government grant	1	49.95
Remeasurement of employee benefit plan	3	5.31
Tax effect on adjustment	4	(1.75)
Total adjustment		**53.50**
Profit after tax as per Ind AS		
Other comprehensive income		
Fair valuation of investment, net of tax	2	407.74
Remeasurement of employee benefit plan, net of tax		(3.55)
Comprehensive income under Ind AS		**385.58**

C: Notes to first-time adoption

Note 1: 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 2: 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 has been measured at fair value. The company has categorised these investments as fair value through other comprehensive income (FVOCI) and any changes in fair value of those investment has been recognised in other comprehensive income.

Note 3 : Employee benefit obligation

Under previous GAAP, actuarial gains and losses related to the defined benefit scheme for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

Note 4 : Deferred tax

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 1, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 5 : Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the cash flow statement.

Notes to Financial Statements *(contd.)*

Note: 45 Micro, Small and Medium Enterprises

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 disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the Company.

46. Previous year's figure have been regrouped and/or rearranged wherever necessary, to confirm to current year classification.

47. The financial statements are approved by the Audit Committee at its meeting held on 17th May, 2018 and by the Board of Directors on the same date.

The accompanying notes are an integral part of the financial statements

As per our report of even date		**For & on behalf of the Board of Directors**
For D. K. Chhajer & Co. Chartered Accountants Firm Registration No. 304138E	**Vivek Lahoti** Chief Financial Officer	**Hari Prasad Agarwal** Director DIN: 00266005
Niraj K Jhunjhunwala Partner Membership No : 057170	**Mohit Mahana** Company Secretary	**Pankaj Kejriwal** Managing Director DIN: 00383635

Place: Kolkata
Date : 17 May, 2018

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STARCEMENT
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