CONSISTENT

STAR CEMENT MEGHALAYA 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 and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the 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 of future performance. We cannot guarantee that these forward-looking statements will be realised, 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 materialise, 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.

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Corporate Information

Board of Directors:

Prem Kumar Bhajanka, Managing Director
Sajjan Bhajanka, Director
Sanjay Agarwal, Director
Rajendra Chamaria, Director
Pankaj Kejriwal, Director
Mangilal Jain, Director
Clara Suja, Director
Santanu Ray, Director

Auditors:

M/s. D. K. Chhajer & Co.,
Chartered Accountants
Nilhat House,
11, R. N. Mukherjee Road, Kolkata – 700001

Company Secretary:

Rahul Srivastava (upto 04.04.2018)

Chief Financial Officer:

Amit Kumar Singh (w.e.f. 06.02.2018)

Registered Office and 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 – 700027

Delhi Office:

281, Deepali, Pitampura,
New Delhi – 110 034

Bankers/ Body Corporate:

Bank of Baroda
Corporation Bank
Allahabad Bank
State Bank of India

Directors' Report

Dear members

Your Directors have pleasure in presenting Thirteenth 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	50,237.61	47,006.21
Profit/(Loss) before Interest, Depreciation and Tax	16,981.76	19,005.17
Interest and Finance Charges	1,156.16	2,478.30
Depreciation	4,516.73	5,705.25
Profit/(Loss) before Tax	11,308.87	10,821.62
-Current Tax	2,146.94	1,982.21
-Deferred Tax	(2,142.20)	(1,983.91)
Profit/(Loss) after Tax	11,304.13	10,823.32
Other comprehensive income for the year, net of tax	(10.04)	1.08
Total comprehensive income for the year	11,294.09	10,824.40
Proposed Dividend:		
Proposed Dividend @ ₹14/- per share	4,174.49	-

INDIAN ECONOMY – A RETROSPECT AND OUTLOOK

The Country's economy appears to be fastest growing economy of the world. After implementation of Goods and Service Tax (GST) and demonitisation the economy has been revived rapidly. Indian economy is likely to be one of the top 3 economic power of the world. Various Policies of the Government and budgetary thrust for infrastructural development expected to rise the GDP of the country in the current fiscal.

Government's various initiatives for 'Make in India' and 'Digital India' will help the manufacturing sector to flourish. As a result contributions from the manufacturing sector expected to rise to 25% of GDP from present level of 17%.

With the Government initiatives like 'Smart cities', 'Housing for All', etc., and initiatives in the areas of development of Ports, Roads and Highways, development in the area of alternative source of energy and other infrastructure projects is expected to boost Cement demand in the North East region. Government's budgetary support for infrastructural development and initiatives for North East zone will help the industry to flourish further. Inspite of the Government's various supports, a number of procedural constraints such as delays in approvals and availability of long-term funding avenues need to be sorted out for project implementation to gather pace. Further, public private partnership in infrastructure sector is equally important to improve the infrastructure sector.

OPERATIONAL PERFORMANCE

In view of fall in demand of cement due to sharp effect of demonetization, during the year under review your Company produced 15,41,945 MT of Cement Clinker as against 15,79,345 MT in the previous year. On the capacity utilization front, your Company was able to utilize 88.16% of its installed capacity during the FY 2017-18 as against 90.20% during the FY 2016-17.

During the year your Company has sold 15,04,195 MT of clinker against 15,61,597 MT recorded in last year and the Company has successfully exported 1.39 Lac MT of Cement Clinker to neighboring countries of Nepal and Bhutan apart from having long term arrangement for sale of clinker with its holding Company M/s. Star Cement Limited and fellow subsidiary M/s. Megha Technical & Engineers Private Limited.

During the FY 2017-18, your Company has posted EBIDTA of ₹ 16,981.76 Lacs and profit after tax amounting to ₹ 11,304.13 Lacs. Your Company expects to increase the operational efficiencies in years to come.

During the year as a part of marketing initiative, your Holding Company M/s. Star Cement Ltd. 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.

DIVIDEND

Your Directors are pleased to recommend a Final dividend @ 140% i.e., ₹14/- each per Equity Share of Face Value of ₹10/- each (exclusive of applicable Dividend Distribution Tax) for the Financial Year ended 31st March, 2018. The Final dividend, subject to approval of members at the ensuing Annual General Meeting, will be paid within the statutory period.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was ₹ 2,981.78 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

During the year under review Five (5) Board Meetings were convened and held on 29th May, 2017, 03rd August, 2017, 11th September, 2017, 13th November, 2017, and 06th February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
1.	Mr. Prem Kumar Bhajanka	Managing Director	5	3
2.	Mr. Sajjan Bhajanka	Director	5	5
3.	Mr. Sanjay Agarwal	Director	5	4
4.	Mr. Rajendra Chamaria	Director	5	1
5.	Mr. Pankaj Kejriwal	Director	5	1
6.	Mrs. Ibaridor Katherine War*	Director	5	-
7.	Mr. Mangilal Jain	Independent Director	5	5
8.	Mr. Santanu Ray	Independent Director	5	4
9.	Mrs. Clara Suja #	Director	5	2

* Mrs. Ibaridor Katherine War, Director of the Company resigned w.e.f 5th April, 2017.

#Mrs. Clara Suja, Director of the Company was appointed w.e.f. 29th May, 2017.

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, if any;
- 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 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 fulfill 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 Twelfth 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 23rd September, 2017.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and marked Annexure-2. The report is self-explanatory and do not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any investment or provided guarantee or security in connection with a loan to any person falling under ambit of Section 186 of the Companies Act, 2013.

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

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 toward Conservation of energy:

- Shutdown of 2 No. 2000 KVA Distribution Transformer resultant saving of 1.05 lacs KW Per year
- Replacement of HPSV Light fitting with LED light fittings resultant saving of 45376.60 Kwh Per year.
- To enhance production, Kiln Inlet Area has been increased step by step from 5.34 m2 to 7.126 m2 to reduce Slop & Side wall thickness resulting Preheater fan RPM reduced by 10-15 RPM.
- Two Parts Tip Casting Anchor has been seed to avoid thermal shock on Anchor due to Cowl Shell & Kiln Shell Gap, so that tip casting Castable life will be increased.
- Coal crusher discharge chute enlarged to avoid the Jamming and thereby reduced manpower & Power.

(B) Steps taken toward Technical Absorption:

- Extended Anti Coating brick CR-60 Lining from 36 to 42 meters in place of 38 to 42 meters to reduce Ring formation in this Zone.
- Installation of Magnetic separator at Limestone crusher 211 BC-2 (Crusher discharge belt) located before metal

detector in order to collect metal pieces before reaching the metal detector, thus preventing frequent start-stops of the circuit which was caused previously due to metal sensing by metal detector.

- 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 for the mills, Kiln optimization, and alternate fuel for kiln and quality improvement. During the year under review, your Company incurred Revenue Expenditure of ₹ 10.46 lacs and there was Capital expenditure of ₹ 4.37 lacs in Research & Development.

(C) Foreign Exchange Earnings And Outgo

During the period under review, Foreign Exchange Earning was ₹ 489.09 lacs (Previous year Nil) and Foreign Exchange Outgo was ₹ 1,919.58 lacs (Previous year ₹ 2,426.16 lacs).

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company had made substantial contribution towards rural development projects which signifies a steady transformation of rural society both at social and economic levels. Due importance was given by the Company by acknowledging the rural development agendas representing planned programs to improve the standard and quality of living.

Promoting education

- 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. Your Company also contributed to the Gyan Sagar Foundation.
- The company also supported schools situated nearby plant location for improving infrastructure facilities.
- Company supported the school management committees for induction of teachers.
- Your company believes that right kind of support can definitely bring about a positive change towards the development of rural education. To keep up the spirit for pursuing higher education among students of remote areas of Meghalaya, company introduced scholarship program.

  All such activities taken up for enhancement of educational infrastructure and to ensure quality education which carries high importance towards contributing effective learning.

Rural development

- During the year 2017-18, your company had given top priority to rural development through various schemes like construction of internal roads, footpaths, improvement of drainage system, petty shops, bus stops, public toilets, booth etc. The prime objective behind these initiatives is to provide smooth mobility, access, livelihood opportunities to the villagers with improved village infrastructure.
- Company's Rural Development vision focusses on optimum utilization of the natural, physical and human resources of a rural area for enrichment of the quality of life and cultural development of its population.

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- 3.

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

Mrs. Ibaridor Katherine War resigned as Director with effect from 5th April, 2017, Mr. Dilip Kumar Agarwal resigned as Chief Financial Officer and Key Managerial Personnel with effect from 13th November, 2017 and Mr. Koushik Ranjan Saha resigned as Company Secretary and Key Managerial Personnel with effect from 16th September, 2017. The Board places on record its appreciation for the services rendered by Mrs. Ibaridor Katherine War, Mr. Dilip Kumar Agarwal and Mr. Koushik Ranjan Saha during their tenure with the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 13th November, 2017 appointed Mr. Rahul Srivastava as Company Secretary and Key Managerial Personnel of the Company with effect from 27th November, 2017 and he resigned as Company Secretary and Key Managerial Personnel with effect from 4th April, 2018. The Board places on record its appreciation for the services rendered by Mr. Srivastava during his tenure with the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 06th February, 2018 appointed Mr. Amit Kumar Singh as Chief Financial Officer and Key Managerial Personnel of the Company.

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

The following are Key Managerial Personnel of the Company:

1	Mr. Prem Kumar Bhajanka	Managing Director
2	Mr. Amit Kumar Singh	Chief Financial Officer

HOLDING COMPANY

Your Company continues to remain subsidiary of M/s Star Cement Limited (Formerly Cement Manufacturing Company Limited) which holds 87.49% equity in the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

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

DEPOSITS

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under 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, analyzing 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:-

- **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 under review, the Audit Committee met Four (4) times to deliberate on the various matters. The Meetings were held 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 Meeting	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	4	3
Mr. Mangilal Jain	Independent	Member	4	4
Mr. Sajjan Bhajanka	Non- Independent	Member	4	4

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. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its directors and employees under the supervision of audit committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

- **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted as per the requirements of Section 135 of the Companies Act, 2013 at the Board level. During the year, your Company has carried out various activities as part of its CSR initiative. The focus areas have been health care, education, sustainable livelihood, infrastructure and social reform.

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 Meeting	
			Held	Attended
Mr. Sanjay Agarwal	Non-Independent	Chairman	1	1
Mr. Sajjan Bhajanka	Non-Independent	Member	1	1
Mr. Mangilal Jain	Independent	Member	1	1

• **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's performance.

During the year, the Committee met on 29th May, 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 Meeting	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	3	3
Mr. Sajjan Bhajanka	Non-Independent	Member	3	3
Mr. Mangilal Jain	Independent	Member	3	3

HUMAN AND INDUSTRIAL RELATIONS

Employee relationship with your Company continues to remain cordial and harmonious. Your Directors place on record their appreciation for the continued support rendered by the employees of the Company.

The Company is continuing its efforts in induction of local managerial and non-managerial employees and has conducted regular recruitment and training programs for development of required skills at the local level.

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 - 4 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

The Directors would like to express their grateful appreciation for the assistance and cooperation received from the Banks, Financial Institutions, Government Authorities, Local Authorities, Customers, Vendors, Business Partners/ Associates and Holding Company for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

For and on behalf of the Board of Directors

	Prem Kumar Bhajanka	**Sajjan Bhajanka**
Place: Kolkata	*Managing Director*	*Director*
Date: 17 May, 2018	(DIN: 00591512)	(DIN: 00246043)

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	U63090ML2005PLC008011
2	Registration Date	Incorporated on 22nd December, 2005
3	Name of the Company	Star Cement Meghalaya 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, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 -278215/16/18
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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 Clinker	23941	99.80

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 (Formerly Cement Manufacturing Company Ltd.) Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	87.49	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	-	6	6	0.00	-	6	6	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	2,98,17,812	2,98,17,812	100.00	-	2,98,17,812	2,98,17,812	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A) (1)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**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)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**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)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**

*6 individuals holding one share each as nominees of Star Cement Limited (Formerly Cement Manufacturing Company Limited.)

(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. *	2,60,88,656	87.49	-	2,60,88,656	87.49	-	-
2	Megha Technical & Engineers Pvt. Ltd.	37,29,162	12.51	-	37,29,162	12.51	-	-
	Total	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**100.00**	**-**	**-**

"*Star Cement Limited alongwith its 6 nominees.

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

There are no changes in 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 Shares shares	No. of Shares	% of Shares 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. Sajjan Bhajanka (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		-	-	-	-
2	**Mr. Sanjay 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. Rajendra Chamaria (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. Prem Kumar Bhajanka (Managing 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. Pankaj Kejriwal (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		-	-	-	-
6	**Mrs. Clara Suja (Non-Executive Director w.e.f.29.05.2017)**						
	At the beginning of the year	29.05.2017		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2018		-	-	-	-
7	**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		-	-	-	-
8	**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		-	-	-	-
9	**Mr. Dilip Kumar Agarwal (Chief Financial Officer w.ef. 29.05.2017 upto 13.11.2017)**						
	At the beginning of the year	29.05.2017		-	-	-	-
	Changes during the year						
	At the end of the year	13.11.2017		-	-	-	-
10	**Mr. Koushik Ranjan Saha (Company Secretary upto 16.09.2017)**						
	At the beginning of the year	01.04.2017		-	-	-	-
	Changes during the year						
	At the end of the year	16.09.2017		-	-	-	-
11	**Mr. Rahul Srivastava (Company Secretary - w.e.f. 27.11.2017 upto 04.04.2018)**						
	At the beginning of the year	27.11.2017		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2018		-	-	-	-
12	**Mr. Amit Kumar Singh (Chief Financial Officer w.e.f. 06.02.2018)**						
	At the beginning of the year	06.02.2018		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2018		-	-	-	-

V. INDEBTEDNESS

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

(Amount ₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,756.05	2,600.00	-	21,356.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.03	-	-	23.03
Total (i+ii+iii)	**18,779.08**	**2,600.00**	**-**	**21,379.08**
Change in Indebtedness during the financial year#				
Addition	360.45	-	-	360.45
Reduction	(11,671.38)	(2,600.00)	-	(14,271.38)
Net Change	**(11,310.93)**	**(2,600.00)**	**-**	**(13,910.93)**
Indebtedness at the end of the financial year				
i) Principal Amount	7,445.12	-	-	7,445.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.88	-	-	11.88
Total (i+ii+iii)	**7,457.00**	**-**	-	**7,457.00**

** Trade Deposits have not been included.

Loss on account of Exchange Fluctuation in respect of Loans in Foreign Currency has been included in addition in indebtedness. Similarly, gain on account of Exchange Fluctuation has been included in Reduction in indebtedness.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount ₹ Lacs)

SL. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mr. Prem Kumar Bhajanka	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	60.00	60.00
	(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, please specify	-	-
5	Others, please specify	-	-
	Total (A)	60.00	60.00
	Ceiling as per the Act	5% of the Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹ 565.45 lacs	

B. Remuneration to other Directors (Amount ₹ Lacs)

SL. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Santanu Ray	Mr. Mangilal Jain	Mrs.Ibaridor Katherine war *	Mrs. Clara Suja#	
1	Independent Directors					
	Fee for attending Board / Committee meetings	0.40	0.50	-	-	0.90
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.40	0.50	-	-	0.90
2	Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	-	-	-	0.10	0.10
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	0.10	0.10
	Total (B)=(1+2)	0.40	0.50	-	0.10	1.00
	Total Managerial Remuneration					61.00
	Overall ceiling as per the Act	11% of Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹ 1243.99 lacs				

* Resigned w.e.f.05.04.2017

Appointed w.e.f.29.05.2017

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

SL. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount
		Mr. Dilip Kumar Agarwal*	Mr. Koushik Ranjan Saha#	Mr. Rahul Srivastava##	Mr. Amit Kr. Singh $	
	Designation	Chief Financial Officer	Company Secretray	Company Secretary	Chief Financial Officer	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	1.36	1.08	2.44
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	**-**	**-**	**1.36**	**1.08**	**2.44**

* Resigned as Chief Financial Officer with effect from 13th November, 2017 and had drawn salary from the Holding Company.

Resigned as Company Secretary with effect from 16th September, 2017.

Appointed as Company Secretary w.e.f 27.11.2017 and resigend w.e.f. 04.04.2018

$ Appointed as Chief Financial Officer w.e.f. 06.02.2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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

FORM NO. MR -3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To
The Members,
STAR CEMENT MEGHALAYA LIMITED

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

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder [Not applicable to the Company during the audit period];

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder [Not applicable to the Company during the audit period];

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

   a) The Mines And Minerals (Development And Regulation) Act, 1957

   b) The Explosives Rules, 2008

   c) The Meghalaya Clinker Cess Act, 2015

   d) The Environment (Protection) Act, 1986

   e) The Water(Prevention and Control of Pollution) Act, 1974

   f) The Air(Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that

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

b) Adequate notice is given to all directors to schedule the

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

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the period under audit, the Company has passed a special resolution for adoption of new set of Articles of Association of the Company under section 14 of the Companies Act, 2013.

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 17 May, 2018
Place: Kolkata

Annexure - 1

To
The Members,
STAR CEMENT MEGHALAYA LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

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

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 17 May, 2018
Place: Kolkata

Annexure - 3

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. The main objective of the Policy is to establish the basic principles and the general framework of action for management to undertake and fulfill its Corporate Social Responsibility.

2. **The composition of the CSR Committee**
   - Mr. Sanjay Agarwal - Chairman
   - Mr. Sajjan Bhajanka - Non-Executive Director
   - Mr. Mangilal Jain - Independent Director

3. **Average Net Profit of the Company for last 3 financial years:** ₹7,512.07 Lacs

4. **Prescribed CSR expenditure (2% of amount) :** ₹150.24 Lacs

5. **Details of CSR activities/projects undertaken during the year:**
   a) Total amount to be spent for the financial year: ₹150.24 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	Promoting education and providing non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya to rural and tribal people and Gyan Sagar Foundation	Education	In various parts of India	230.00	230.00	230.00	Through implementing agency and Direct
2	Providing various support towards educational upliftment	Education	Meghalaya	3.17	3.17	3.17	Through the registered trust
3	Development activities like Drainage Work at Village, Construction of Bus Stand, and construction of Toilets, Community Hall and Petty Shop and etc.	Rural Development	Assam and Meghalaya	7.67	7.67	7.67	Through the registered trust
	Total			**240.84**	**240.84**	**240.84**	

**Details of implementing Agency/ Trust:* Friends of Tribal Society and Lumshnong Village Area Local Welfare Trust

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

For and on behalf of the Board of Directors

Place: Kolkata	**Prem Kumar Bhajanka**	**Sanjay Agarwal**
Date: 17 May, 2018	*Managing Director*	*Chairman–CSR Committee*
	(DIN: 00591512)	(DIN: 00246132)

Annexure - 4

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. Arun Kumar Sinha	Technical Advisor	60.97	Permanent	BSc, B.E (Mech), FIE	52	01.09.2002	76	Cement Corporation of India	NIL	None
2	Mr. Alok Gupta	A.V.P. Civil	49.23	Permanent	B.E. Civil	29	14.04.2007	53	Shree Cement Ltd.	NIL	None
3	Mr. Sushil Kumar Kulshrestha	General Manager - Process	37.33	Permanent	M.Sc, PGDC, MBA (Operation)	25	16.10.2012	48	Loesche India Pvt. Ltd.	NIL	None
4	Mr. Ramesh Chand Pareek	General Manager - Accounts	36.01	Permanent	Commerce Graduate	36	01.07.2014	56	Barak Valley Cements Ltd.	NIL	None
5	Mr. Manoj Sovasaria	General Manager - Supply Chain Management	35.78	Permanent	B.Com (Hons), P.G.D.B.A.	26	01.10.2002	44	Barak Valley Cements Ltd.	NIL	None
6	Renu Chamaria	Executive Director(Admin)	30.00	Permanent	Graduate	25	01.11.2016	57	-	NIL	Wife of Shri Rajendra Chamaria
7	Vrinda Kedia (Chamaria)	Executive Director(Branding & Marketing)	28.20	Permanent	Post Graduate	5	01.11.2016	29	-	NIL	Daughter-in-law of Shri Rajendra Chamaria
8	Mr. Jyoti Prakash Sinha	Deputy General Manager - Stores & Purchase	21.04	Permanent	Diploma in Materials Management	31	25.05.2011	52	Buckau Wolf India Ltd.	NIL	None
9	Mr. Arun Kumar Sharma	Sr. Manager - Purchase	20.87	Permanent	Commerce Graduate	23	03.09.2012	52	Heidelberg Cement India Ltd.	NIL	None
10	Mr. Sandeep Jalan	General Manager – Supply Chain Management	17.02	Permanent	Graduate	20	01.11.2009	50	-	NIL	Brother-in-law of Shri Rajendra Chamaria

Independent Auditor's Report

To the Members of
Star Cement Meghalaya Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Star Cement Meghalaya Limited (the “Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 thereunder and the Order issued under section 143(11) of the Act.

We 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 we have obtained 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 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 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 the 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 45 to the 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 the Independent Auditors' Report

Referred to in Independent Auditors' Report of even date to the members of Star Cements Meghalaya Limited on the financial statements for the year ended March 31, 2018

i. In respect of the Company's Property, plant and equipment.

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

   b) The Property, plant and equipment of the company are physically verified by the management according to a phased programme on a rotational basis, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

   c) 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 one body 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 body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

   b) In the case of loan granted to the body 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 explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect of loans, made. The Company has not made any investments or provided guarantee.

v. The Company has not accepted any deposits with the meaning of sections 73 to 76 of the Act and the companies (Acceptance of Deposits) Rules, 2014 (as amended) and therefore, 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 been regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, value added tax, duty of customs, duty of excise, , cess and other material statutory dues, as applicable, with the appropriate authorities.

   There were no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, goods and service tax, value added tax, Duty of Customs, Duty of Excise and the other material statutory dues in arrear as at March 31,2018 for a period of more than six months from the date they became payable except cement clinker cess amounting to ₹ 717.56/- Lacs.

   b) According to the information and explanations given to us and the records of the Company examined by us, the following dues of Excise Duty, Service Tax and Entry Tax have not been deposited by the company on account of dispute:

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	346.34	Jan-13 to Mar-15	Commissioner, Central Excise & Service Tax-Shillong
The Central Excise Act, 1944	Service Tax	13.76	2011- 12	CESTAT
West Bengal Tax on Entry of Goods Into Local Areas Act, 2012.#	Entry Tax	179.14	Jan-'15 to June'17	Kolkata High Court

liability has been provided for.

viii. According to the records of the Company examined by us and the information and explanation given to us, 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. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of sec 197 read with Schedule V of the Companies Act, 2013.

xii. The Company is not a Nidhi company and hence reporting under clause xii of the Order is not applicable.

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

xiv. 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, the 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 Over Financial Reporting 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 Star Cement Meghalaya 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 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 an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on our 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 preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31 March, 2018

(₹ in lacs)

Particulars	Notes	31-Mar-18	31-Mar-17	01-Apr-16
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	3	29,810.18	34,827.29	40,716.98
b) Capital work-in-progress		381.42	228.00	180.54
c) Intangible assets	3.1	1.78	3.11	3.48
d) Financial assets				
(i) Loans	4	2,503.22	3,104.36	808.09
(ii) Other financial assets	5	2.53	2.39	4.84
e) Deferred tax assets (net)	6	6,606.63	4,459.04	2,475.70
f) Non current tax asset (net)	7	180.58	153.29	153.29
g) Other non-current assets	8	1,678.06	1,668.47	1,635.17
Total non-current assets		**41,164.40**	**44,445.95**	**45,978.09**
(2) Current assets				
a) Inventories	9	12,694.62	4,989.85	7,975.16
b) Financial assets				
(i) Trade receivables	10	10,346.60	3,257.16	4,871.19
(ii) Cash and cash equivalents	11	869.99	383.27	934.59
(iii) Bank balances other than (ii) above	12	-	2.59	-
(iv) Loans	13	180.66	10.50	10.50
c) Other current assets	14	19,143.89	29,200.66	25,238.51
Total current assets		**43,235.76**	**37,844.03**	**39,029.95**
Total assets		**84,400.16**	**82,289.98**	**85,008.04**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	15	2,981.78	2,981.78	2,981.78
b) Other equity	16	57,262.37	45,968.28	35,143.87
Total equity		**60,244.15**	**48,950.06**	**38,125.65**
Liabilities				
(1) Non-current liabilities				
a) Financial liabilities				
(i) Borrowings	17	2,833.16	8,437.97	15,096.02
(ii) Other financial liabilities	18	21.06	22.06	26.47
b) Employee Benefit obligations	19	57.90	15.65	19.54
c) Other non current liabilities	20	1,683.61	5,052.66	6,294.77
Total non-current liabilities		**4,595.73**	**13,528.34**	**21,436.80**
(2) Current liabilities				
a) Financial liabilities				
(i) Borrowings	21	1,602.50	7,609.44	9,890.34
(ii) Trade payables		9,367.64	3,028.45	1,462.55
(iii) Other financial liabilities	22	5,117.59	6,363.28	11,344.83
b) Employee Benefit obligations	23	40.93	62.08	47.22
c) Current tax liabilities (net)	24	322.32	322.32	220.31
d) Other current liabilities	25	3,109.30	2,426.01	2,480.34
Total current liabilities		**19,560.28**	**19,811.58**	**25,445.59**
Total liabilities		**24,156.01**	**33,339.92**	**46,882.39**
Total equity and liabilities		**84,400.16**	**82,289.98**	**85,008.04**
Significant Accounting Policies	1 & 2			
The accompanying notes are an integral part of the financial statements.				

As per our report of even date

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

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Prem Kumar Bhajanka
Managing Director
DIN: 00591512

Amit Kumar Singh
Chief Financial Officer

Sajjan Bhajanka
Director
DIN: 00246043

Place: Kolkata
Date: 17 May, 2018

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

(₹ in lacs)

Particulars	Notes	31-Mar-18	31-Mar-17
INCOME			
Revenue from operations	26	50,055.78	46,858.38
Other income	27	181.83	147.83
Total Revenue		**50,237.61**	**47,006.21**
EXPENSES			
Cost of materials consumed	28	5,746.85	7,623.25
(Increase)/ decrease in inventories	29	(625.84)	(408.82)
Excise duty		227.93	(1,070.87)
Employee benefit expenses	30	2,860.82	2,480.17
Finance costs	31	1,156.16	2,478.30
Depreciation and amortisation expenses	32	4,516.73	5,705.25
Other expenses	33	25,046.09	19,377.31
Total expenses		**38,928.74**	**36,184.59**
Profit before tax		**11,308.87**	**10,821.62**
Tax expenses			
Current tax	35	2,146.94	1,982.21
Deferred tax		(2,142.20)	(1,983.91)
Total tax expense		**4.74**	**(1.70)**
Profit for the year		**11,304.13**	**10,823.32**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	37	(15.43)	1.65
Deferred tax on above		5.39	(0.57)
Other comprehensive income for the year (net of tax)		**(10.04)**	**1.08**
Total comprehensive income for the year		**11,294.09**	**10,824.40**
Earnings per equity share (Face value of ₹ 10/- each)			
Basic earning per share (In ₹)	36	37.91	36.30
Diluted earning per share (In ₹)	36	37.91	36.30
Significant Accounting Policies	1 & 2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place: Kolkata
Date: 17 May, 2018

For and on behalf of the Board of Directors

Prem Kumar Bhajanka
Managing Director
DIN: 00591512

Amit Kumar Singh
Chief Financial Officer

Sajjan Bhajanka
Director
DIN: 00246043

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 before tax	11,308.87	10,821.62
Adjustments for :		
Depreciation & amortisation [refer note 32]	4,516.73	5,705.25
Unrealised foreign exchange (gain) / loss- net	(14.22)	-
Profit/ loss on sale of property,plant & equipment	(0.31)	36.62
Interest income [refer note 27]	(163.39)	(136.10)
Interest expenses [refer note 31]	1,156.16	2,478.30
Provision for leave encashment	35.43	37.07
Provision for gratuity	47.97	42.31
Operating Profit before working Capital changes	**16,887.24**	**18,985.07**
Adjustments for :		
(Increase)/decrease in Inventories	(7,704.77)	2,985.31
(Increase)/decrease in Trade receivables	(7,075.23)	1,614.03
(Increase)/decrease in Other receivables	430.84	(2,324.03)
(Increase)/decrease in Other assets	6,893.30	(3,997.89)
(Increase)/decrease in Trade/Other payables	5,092.49	(4,985.95)
(Increase)/decrease in Other liabilities	3,755.72	6,024.46
Cash Generated form Operations	**18,279.59**	**18,301.00**
Income Tax Paid	(2,000.00)	(1,850.00)
Net Cash flow from Operating Activities	**16,279.59**	**16,451.00**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/sale of property, plant and equipment (including WIP)- net	(893.51)	(1,502.14)
Fixed deposit / margin money (given)/ matured	2.45	(0.14)
Interest received	163.39	136.10
Net Cash used in Investing Activites	**(727.67)**	**(1,366.18)**
C. CASH FLOW FROM FINANCING ACTIVTIES		
Repayment of loans from Companies and Public Bodies	(600.00)	-
Proceeds from /(Repayment of) Long term borrowings	(7,303.98)	(10,880.21)
Proceeds from /(Repayment of) Short term borrowings	(6,006.95)	(2,280.90)
Interest paid	(1,154.27)	(2,475.03)
Net Cash used in Financing Activities	**(15,065.20)**	**(15,636.14)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**486.72**	**(551.32)**
Cash and Cash Equivalents [refer note 11]		
Opening Balance	**383.27**	**934.59**
Closing Balance	**869.99**	**383.27**

Note:

Significant non-cash movement in borrowings during the year include:

a) foreign exchange loss of ₹ 7.71 lacs

b) recognition of finance leases of ₹ 497.99 lacs

As per our report of even date

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

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Prem Kumar Bhajanka
Managing Director
DIN: 00591512

Amit Kumar Singh
Chief Financial Officer

Sajjan Bhajanka
Director
DIN: 00246043

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	2,981.78
Changes in equity share capital	-
As at 31 March, 2017	**2,981.78**
Changes in equity share capital	-
As at 31 March, 2018	**2,981.78**

B. OTHER EQUITY

(₹ in lacs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1 April, 2016	17,416.22	17,727.65	35,143.87
Profit for the year (a)	-	10,823.33	10,823.33
Other comprehensive income /(loss) (net of tax) for the year (b)	-	1.08	1.08
Total comprehensive income for the year (a + b)	**-**	**10,824.41**	**10,824.41**
Balance as at 31 March, 2017	**17,416.22**	**28,552.06**	**45,968.28**

(₹ in lacs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1 April, 2017	17,416.22	28,552.06	45,968.28
Profit for the year (a)	-	11,304.13	11,304.13
Other comprehensive income /(loss) (net of tax) for the year (b)	-	(10.04)	(10.04)
Total comprehensive income for the year (a + b)	**-**	**11,294.09**	**11,294.09**
Balance as at 31 March, 2018	**17,416.22**	**39,846.15**	**57,262.37**
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Prem Kumar Bhajanka
Managing Director
DIN: 00591512

Place: Kolkata
Date: 17 May, 2018

Amit Kumar Singh
Chief Financial Officer

Sajjan Bhajanka
Director
DIN: 00246043

Notes to Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Star Cement Meghalaya Limited ("the Company") is a Public Limited Company domiciled in India and incorporated on 22nd December, 2005 as per the provisions of Companies Act. The Company is engaged in manufacturing of Cement Clinker. The manufacturing unit of the Company is located at Lumshnong, Meghalaya. The Company is selling its product across North Eastern and Eastern states of India and also exporting to Bhutan and Nepal.

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 43 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 and 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 lacs 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 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 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 (₹), which is Star Cement Meghalaya Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short–term foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or 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. 1 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.

1.4 Property, plant and equipment

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

Transition to Ind AS

On transition to Ind AS, the company 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 capitalized.

Depreciation

Depreciation on Property, plant and equipment is provided on written down value method 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 method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

1.5 Intangible Asset

An Intangible Asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are 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.

1.6 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit and Loss and capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

1.7 Leases

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 capitalized 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.

1.8 Government Grants and Subsidies

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

1.9 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.

1.10 Borrowings

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 Balance Sheet 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.

1.11 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalised 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 for its intended use to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

1.12 Inventories

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable 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 finished goods includes excise duty.

Cost of inventories is computed on weighted average basis.

Net realisable 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.

1.13 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.

1.14 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 (FVTPL): 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 associate) at fair value through profit or loss. 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 Company 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.

1.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company 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.

1.16 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 and derivative financial instruments.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1.17 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 company or the counterparty.

1.18 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

1.19 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 recognised using the effective interest rate (EIR) method.

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

1.20 Employee Benefits

(i) Short-term obligations

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

(ii) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for 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 Balance Sheet date.

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 and reflected in retained earnings.

(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 Balance Sheet date.

1.21 Tax Expenses

Tax expense comprises current and deferred tax. Provision for 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 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 financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 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 tax asset is realised or the deferred 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 utilize 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 and 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 recognised in other comprehensive income or directly in equity, respectively.

1.22 Earnings Per Share

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

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

1.23 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.

1.24 Segment reporting

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

1.25 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity.

RECENT ACCOUNTING DEVELOPMENTS

2. Standards issued but not yet effective

i. 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.

ii. 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).

Notes to Financial Statements *(Contd.)*

Note: 3 Property, plant and equipment

(₹ in lacs)

Particulars	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
Gross carrying Value											
At 1 April, 2016 (Deemed Cost)	2,271.91	6,977.49	1,641.91	28,833.86	51.62	9.79	25.64	721.22	73.08	110.46	40,716.98
Addition	681.23	32.18	113.59	540.36	8.82	3.64	14.32	77.94	35.63	15.18	1,522.89
Disposals/deductions/adjustment	-	8.33	1.21	97.16	-	-	-	-	2.22	-	108.92
At 31 March, 2017	**2,953.14**	**7,001.34**	**1,754.29**	**29,277.06**	**60.44**	**13.43**	**39.96**	**799.16**	**106.49**	**125.64**	**42,130.95**
Addition	39.94	3.40	38.59	63.52	1.99	4.93	2.05	607.31	0.62	5.93	768.28
Disposals/deductions/adjustment	-	-	-	20.71	-	-	-	21.79	1.82	-	44.33
At 31 March, 2018	**2,993.08**	**7,004.74**	**1,792.88**	**29,319.87**	**62.43**	**18.36**	**42.01**	**1,384.68**	**105.29**	**131.57**	**42,854.91**
Accumulated Deprecation											
At 1 April, 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	663.56	350.15	5,949.30	15.22	5.25	20.10	240.25	29.29	33.28	7,306.40
Disposals/deductions/adjustment	-	-	-	2.64	-	-	-	-	0.10	-	2.74
At 31 March, 2017	**-**	**663.56**	**350.15**	**5,946.66**	**15.22**	**5.25**	**20.10**	**240.25**	**29.19**	**33.28**	**7,303.66**
Charge for the year	-	602.70	227.89	4,627.08	12.38	4.26	10.69	221.21	24.23	26.30	5,756.74
Disposals/deductions/adjustment	-	-	-	4.69	-	-	-	10.14	0.85	-	15.68
At 31 March, 2018	**-**	**1,266.26**	**578.04**	**10,569.05**	**27.60**	**9.51**	**30.79**	**451.32**	**52.57**	**59.58**	**13,044.72**
Net Carrying Value											
At 1 April, 2016	2,271.91	6,977.49	1,641.91	28,833.86	51.62	9.79	25.64	721.22	73.08	110.46	40,716.98
At 31 March, 2017	2,953.14	6,337.78	1,404.14	23,330.40	45.22	8.18	19.86	558.91	77.30	92.36	34,827.29
At 31 March, 2018	2,993.08	5,738.48	1,214.84	18,750.82	34.83	8.85	11.22	933.36	52.72	71.99	29,810.18

Notes to Financial Statements *(Contd.)*

3.1 - Intangible Assets (₹ in lacs)

Particulars	Intangible Assets
Gross carrying Value	
At 1 April, 2016 (Deemed Cost)	3.48
Addition	1.35
Disposals/deductions/adjustment	-
At 31 March, 2017	**4.83**
Addition	0.76
Disposals/deductions/adjustment	-
At 31 March, 2018	**5.59**
Accumulated Amortisation	
At 1 April, 2016	-
Charge for the year	1.72
Disposals/deductions/adjustment	-
At 31 March, 2017	**1.72**
Charge for the year	2.09
Disposals/deductions/adjustment	-
At 31 March, 2018	**3.81**
Net Carrying Value	
At 1 April, 2016	3.48
At 31 March, 2017	3.11
At 31 March, 2018	**1.78**

Note :

a) For Property, plant and equipment and intangible assets existing as on 1 April 2016, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost [refer note 43 (A.1.1)].

b) During the year company has discarded /sold property,plant & equipment amounting to ₹ 44.33 Lacs (₹ 48.25 Lacs as on 31 March, 2017).

c) During the year foreign exchange loss of ₹ 7.71 lacs is increase (₹ 60.67 lacs was reduce as on 31 March, 2017) from assets in accordance with para 46A of AS-11(previous GAAP), since the Company has applied the exemption under Ind AS 101 and accordingly opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the finincial statements.

Note: 4 Loans - non current

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Security deposits	3.22	4.36	8.09
Loan to related party	2,500.00	3,100.00	800.00
	2,503.22	**3,104.36**	**808.09**

4.1: Term loan to related party (fellow subsidiary) is long term in nature i.e. receivable in 5 years.

Note: 5 Other financial assets

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks held as			
- Margin money deposits with original maturity of more than 12 months	2.53	2.39	4.84
	2.53	**2.39**	**4.84**

5.1: The bank balance disclosed above represents margin money against bank guarantee.

Notes to Financial Statements *(Contd.)*

Note: 6 Deferred tax assets (net)

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Deferred tax assets			
MAT credit entitlement	6,607.08	4,460.14	2,477.93
Deferred tax liability			
Borrowings	0.45	1.10	2.23
	6,606.63	**4,459.04**	**2,475.70**

Note: 7 Non current tax asset

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Advance income tax (net of provision for taxation of ₹ 3,677.58 lacs, as at 31 March, 2017 ₹ 1,505.67 lacs and ₹ 1,505.67 lacs as at 1 April, 2016)	180.58	153.29	153.29
	180.58	**153.29**	**153.29**

Note: 8 Other non-current assets

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Capital advances	1,662.83	1,653.24	1,626.85
Security deposits	15.23	15.23	8.32
	1,678.06	**1,668.47**	**1,635.17**

Note: 9 Inventories

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Raw materials	1,091.64	1,929.83	990.33
Work - in - progress	129.77	159.94	199.30
Finished goods (including in transit ₹ Nil as at 31 March, 2018 , 31 March, 2017 - ₹ 99.27 lacs & 1 April,2016 - ₹8.97 lacs)	1,226.27	570.26	122.07
Fuels & lubricants	8,761.54	832.07	4,914.23
Stores & spares	1,485.40	1,497.75	1,749.23
	12,694.62	**4,989.85**	**7,975.16**

Note: 10 Trade receivables

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Trade receivable	10,346.60	3,257.16	4,871.19
	10,346.60	**3,257.16**	**4,871.19**

Note: 11 Cash and cash equivalents

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cash in hand	13.56	14.46	7.08
Cheques in hand	225.57	171.43	680.33
Balances With Banks:			
- On Current Accounts (₹ 0.66 Lacs as on 31 March 2018 kept with SBI-Bangladesh, repatriation of which is restricted, ₹ 1.52 Lacs as on 31 March 2017, ₹ 30.19 Lacs as on 1 April 2016)	630.86	197.38	247.18
	869.99	**383.27**	**934.59**

Notes to Financial Statements *(Contd.)*

Note: 12 Bank balances other than (note II) above

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Earmarked balances with banks:- held as margin money			
- Margin money	-	2.59	-
	-	**2.59**	**-**

Note : Margin Money against Bank Guarantee

Note: 13 Loans - current

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
- Security Deposit	180.66	10.50	10.50
	180.66	**10.50**	**10.50**

Note: 14 Other current assets

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured , considered good			
-Advances to suppliers for goods	654.52	856.62	431.67
-Advances to suppliers for services	11.03	385.96	-
-Advances to employee	5.97	8.91	5.96
- Balances with statutory/Government authorities	3,653.99	11,199.46	522.41
-Subsidies/incentives receivable from Central/State government	14,725.11	16,644.93	24,195.72
- Prepaid expenses	93.27	104.78	82.75
Unsecured , considered doubtful			
-Advance to supplier	4.35	4.35	4.35
Less: Allowane for bad & doubtful advances	(4.35)	(4.35)	(4.35)
	19,143.89	**29,200.66**	**25,238.51**

Note: 15 Equity share capital

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Authorised Capital			
Equity shares of ₹ 10/- par value	**3,000.00**	**3,000.00**	**3,000.00**
3,00,00,000 (3,00,00,000 as at 31 March, 2017; 3,00,00,000 as at 1 April, 2016) Equity Shares fully paid up			
Issued, subscribed & paid up			
Equity shares of ₹ 10/- par value	2,981.78	2,981.78	2,981.78
2,98,17,818 (2,98,17,818 as at 31 March, 2017; 2,98,17,818 as at 1 April, 2016) Equity Shares fully paid up			
	2,981.78	**2,981.78**	**2,981.78**

a) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of 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 equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements *(Contd.)*

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

Particulars	No. of Shares	No. of Shares	No. of Shares
At the beginning of the year	2,98,17,818	2,98,17,818	2,98,17,818
Issue of shares during the year	-	-	-
Outstanding at the end of the year	**2,98,17,818**	**2,98,17,818**	**2,98,17,818**

c) Shares held by holding company

Particulars	No. of Shares	No. of Shares	No. of Shares
Star Cement Limited			
Equity shares of ₹ 10/- each fully paid	2,60,88,656	2,60,88,656	2,60,88,656
(All the shares are held by M/s Star Cement Limited, the Holding Company and its nominees)			

d) Details of shareholders holding more than 5% of Equity Shares in the company

Particulars	No. of Shares (% of holding)	No. of Shares (% of holding)	No. of Shares (% of holding)
Equity shares of ₹ 10/- each fully paid			
Star Cement Limited, holding company	2,60,88,656 (87.49%)	2,60,88,656 (87.49%)	2,60,88,656 (87.49%)
Megha Technical & Engineers Private Limited, subsidiary of Holding Company	37,29,162 (12.51%)	37,29,162 (12.51%)	37,29,162 (12.51%)
	2,98,17,818	**2,98,17,818**	**2,98,17,818**

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

Note: 16 Other equity

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Reserve and surplus			
Securities premium			
Opening balance	17,416.22	17,416.22	17,416.22
Addition/ (deduction) during the year	-	-	-
Closing balance	**17,416.22**	**17,416.22**	**17,416.22**
Retained earnings			
Opening balance	28,552.06	17,727.65	3,466.12
Profit / (loss) for the year	11,304.13	10,823.33	14,261.53
Items of other comprehensive income recognised directly in retained earnings			
Remeasurements of post-employment benefit obligations	(10.04)	1.08	-
Closing balance	**39,846.15**	**28,552.06**	**17,727.65**
Total	**57,262.37**	**45,968.28**	**35,143.87**

16.1 :Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to Financial Statements *(Contd.)*

Note: 17 Borrowings

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Secured			
Term loans			
- Rupee loans from banks	3,145.36	7,563.88	14,707.61
- Rupee loan from a body corporate	-	1,507.02	2,895.02
- Foreign currency loans from banks	2,214.57	3,951.57	6,186.10
Long term maturities of finance lease obligations			
- Hire purchase finance from banks	481.41	120.96	231.64
Unsecured			
Loan from related party	-	600.00	600.00
	5,841.34	13,743.43	24,620.37
Less:- Current maturities of long term borrowings	(3,008.18)	(5,305.46)	(9,524.35)
	2,833.16	**8,437.97**	**15,096.02**

17.1 Rupee Term Loans of ₹ 3145.36 (31 March, 2017: ₹ 7,563.87 lacs; 1 April, 2016: ₹14707.61 lacs) from Banks and ₹ NIL (31 March 2017:₹ 1507.02 lacs; 1 April, 2016: ₹2895.02 lacs) from Body Corporate are repayable in further 7 unequal quarterly instalments ending on December 2019.

Foreign Currency Loan of ₹ 2214.57 (31 March, 2017: ₹ 3951.57 lacs; 1 April, 2016: ₹6186.10 lacs) are repayable in further 7 unequal quarterly instalments ending on December 2019. The loans are secured by pari passu first charge on property, plant and equipment and pari passu second charge on current assets of the company's cement clinker plant at Lumshnong, Meghalaya.

17.2 Hire Purchase Finance is secured by hypothecation of respective vehicles / equipments and are repayable within three years having varying date of payment.

17.3 Terms loan from related party (fellow Subsidiary) was long term in nature i.e. payable in 5 years. However, it has been repaid in full during the FY 2017-18.

17.4 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

Note: 18 Other financial liabilities (non-current)

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Security deposits	21.06	22.06	26.47
	21.06	**22.06**	**26.47**

Note: 19 Employee Benefit obligations (non-current)

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employees benefits			
- Gratuity	57.90	15.65	19.54
	57.90	**15.65**	**19.54**

Note: 20 Other non current liabilities

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Deferred government grant	1,683.61	5,052.66	6,294.77
	1,683.61	**5,052.66**	**6,294.77**

Notes to Financial Statements *(Contd.)*

Note: 21 Borrowings

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Working capital facilities from banks (secured)			
- Cash credit	1,602.50	5,609.44	5,640.34
Short term loan (unsecured)			
- From a bank	-	2,000.00	2,000.00
- From a body corporate	-	-	2,250.00
	1,602.50	**7,609.44**	**9,890.34**

21.1 Working capital facilities from banks are secured by pari passu first charge on current assets and pari passu second charge on property, plant and equipment of the company's cement clinker unit at Lumshnong, Meghalaya.

21.2 Short term loan from bank Nil (31 March 2017: ₹ 2,000.00 lacs; 1 April 2016:₹ 2,000.00 lacs) was repayable within 3 months.

21.3 Short term loan from Body Corporate Nil (31 March 2017: Nil; 1 April 2016: ₹ 2,250.00 Lacs) was repaid in two equal instalment in April 2016 and October 2016.

Note: 22 Other financial liabilities

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long term borrowings	3,008.18	5,305.46	9,524.35
Interest accrued but not due on borrowings	11.88	23.03	137.80
Other payables			
- Salary and bonus to employees	45.84	50.02	45.92
- Sundry expenses payable	1,870.58	741.94	1,468.43
- Unclaimed payable	18.93	18.73	18.78
- Creditors for expenses & services	131.53	211.77	136.18
- Deposits against "C" form	17.20	2.34	1.33
- Deposits against pending export	1.17	-	-
- Retention money	12.28	9.99	12.04
	5,117.59	**6,363.28**	**11,344.83**

Note: 23 Employee benefit obligation

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employees benefits			
- Gratuity	5.50	25.01	12.42
- Leave encashment	35.43	37.07	34.80
	40.93	**62.08**	**47.22**

Note: 24 Current tax liabilities

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for taxation(net of advance income tax as at 31 March, 2018 ₹ 2,655.00 Lacs, as at 31 March, 2017 ₹2,655.00 Lacs & ₹ 805.00 Lacs as at 1 April, 2016)	322.32	322.32	220.31
	322.32	**322.32**	**220.31**

Notes to Financial Statements *(Contd.)*

Note: 25 Other current liabilities

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Other Payables			
Statutory liabilities (Including excise duty on finished goods Nil, ₹ 52.33 lacs as at 31 March, 2017 and ₹ 12.55 lacs as at 1 April, 2016)	2,227.72	750.47	437.94
Advances from customers	352.03	293.14	72.80
Current portion deferred government grant	389.25	1,242.11	1,602.87
Other liabilities	140.30	140.29	366.73
	3,109.30	**2,426.01**	**2,480.34**

Note: 26 Revenue from operations

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Sale of products		
Domestic	44,071.39	44,766.73
Export	5,882.15	2,038.25
	49,953.54	46,804.98
Other operating income	102.24	53.40
Revenue from operations	**50,055.78**	**46,858.38**

Note: 27 Other income

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Interest income on		
-Bank deposits	0.11	0.35
-Other	163.29	135.75
Other non operating income	18.43	11.73
	181.83	**147.83**

Note: 28 Cost of materials consumed

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Inventory at the beginning of the year	1,929.83	990.33
Add: Purchases	4,908.66	8,562.75
	6,838.49	9,553.08
Less : Inventory at the end of the year	1,091.64	1,929.83
	5,746.85	**7,623.25**

Note: 29 (Increase)/ decrease in inventories

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Finished goods		
Opening stock	570.26	122.07
Closing stock	1,226.27	570.26
	(656.01)	(448.19)
Work in process		
Opening stock	159.94	199.30
Closing stock	129.77	159.94
	30.17	39.36
	(625.84)	**(408.82)**

Notes to Financial Statements *(Contd.)*

Note: 30 Employee benefit expenses

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Salaries & wages	2,730.30	2,310.23
Contribution to provident fund and other funds	45.75	46.26
Welfare expenses	84.77	123.68
	2,860.82	**2,480.17**

Note: 31 Finance costs

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Interest expense		
- On loans	1,100.61	2,391.14
Other borrowing costs	55.55	87.16
	1,156.16	**2,478.30**

Note: 32 Depreciation and amortization expenses

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Depreciation on property, plant and equipment	4,514.64	5,703.53
Amortisation of intangible assets	2.09	1.72
	4,516.73	**5,705.25**

32.1 Depreciation is netted of amortisation of Government Grant of ₹ 1,242.11 lacs as at 31 March, 2018 and ₹ 1,602.87 lacs as at 31 March, 2017.

Note: 33 Other expenses

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Consumption of stores & spares	282.52	185.29
Power & fuel	14,830.08	13,736.75
Repairs & maintenance		
- Buildings	135.32	135.76
- Plant & machinery	567.83	922.51
- Others	36.12	65.90
Heavy vehicle / equipment running expenses	626.23	509.41
Excise duty variation on opening/closing stock	-	44.95
Travelling and conveyance	86.48	133.54
Insurance	27.26	58.94
Rent, rates & taxes	197.85	544.77
Research & development expenses	10.46	12.47
Charity & donation	329.34	437.15
CSR expenses [refer note 46]	240.84	86.31
Miscellaneous expenses	439.22	440.39
Advertisement & publicity	0.23	0.51
Carriage outward	7,139.94	2,004.31
Sales promotion expenses	32.22	36.23
Commission/ incentives	64.15	22.12
	25,046.09	**19,377.31**

Notes to Financial Statements *(Contd.)*

Note: 34 Assets pledged as security

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

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current			
Financial assets			
First charge			
Trade receivables	10,346.60	3,257.16	4,871.19
Inventory	12,694.62	4,989.85	7,975.16
Cash & Cash Equivalents	869.99	383.27	934.59
Bank balances (Other than above)	-	2.59	-
Other Receivable	180.66	10.50	10.50
Non financial assets			
Other current assets	19,143.89	29,200.66	25,238.51
Total current assets pledged as security	**43,235.76**	**37,844.03**	**39,029.95**
Non-current			
First charge			
Property, plant and equipment, CWIP and Intangible assets	30,193.38	35,058.40	40,901.00
Total non-currents assets pledged/mortgaged as security	**30,193.38**	**35,058.40**	**40,901.00**
Total assets pledged as security	**73,429.14**	**72,902.43**	**79,930.95**

Note: 35 Income tax expense

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
35.1: Tax expense charge in profit or loss		
Current tax		
Current tax for the year	2,146.94	1,982.21
Total current tax expense	**2,146.94**	**1,982.21**
Deferred tax		
Deferred tax benefit	(2,142.20)	(1,983.91)
Total deferred tax benefit	**(2,142.20)**	**(1,983.91)**
Tax expense	**4.74**	**(1.70)**

35.2 : 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	11,308.87	10,821.62
Tax at the Indian tax rate of 34.608% (2016-2017 - 34.608%)	**3,913.77**	**3,745.15**
Items not deductible/taxable under tax	(516.06)	233.82
Additional deduction under various provisions of tax	(3,393.03)	(3,980.68)
Impact of change in tax rate during the year	0.06	-
Income tax expense	**4.74**	**(1.70)**

35.3 : The Tax Rate used for the year 2016-17 and 2017-18 reconciliation above is the Corporate tax rate of 34.608% (30%+ surcharge @12% +education cess @3%) payable on taxable profits under the Income Tax Act, 1961.

Notes to Financial Statements *(Contd.)*

Note: 36 Earnings per share

(a) Basic earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share attributable to the equity holders of the Company (in ₹)	37.91	36.30

(b) Diluted earnings per share

Particulars	31-Mar-18	31-Mar-17
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	37.91	36.30

(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	11,304.13	10,823.32
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	11,304.13	10,823.32

(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	2,98,17,818	2,98,17,818
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,98,17,818	2,98,17,818

Note: 37 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	33.54	26.83	24.77

(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.

Notes to Financial Statements *(Contd.)*

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	75.68	(43.72)	31.96
Current service cost	12.44	-	12.44
Interest expense/(income)	6.04	(3.50)	2.54
Total amount recognised in profit or loss	**18.47**	**(3.50)**	**14.98**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.06	0.06
Actuarial (gain)/loss from change in financial assumptions	4.04	-	4.04
Actuarial (gain)/loss from unexpected experience	(5.76)	-	(5.76)
Total amount recognised in other comprehensive income	**(1.71)**	**0.06**	**(1.65)**
Employer contributions/ premium paid	-	(4.62)	(4.62)
Benefit payments	(2.16)	2.16	-
31 March 2017	**90.27**	**(49.61)**	**40.66**

(₹ in lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	90.27	(49.61)	40.66
Current service cost	12.93	-	12.93
Interest expense/(income)	5.97	(3.84)	2.13
Total amount recognised in profit or loss	**18.90**	**(3.84)**	**15.06**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.45)	(0.45)
Actuarial (gain)/loss from change in financial assumptions	(1.93)	-	(1.93)
Actuarial (gain)/loss from unexpected experience	17.81	-	17.81
Total amount recognised in other comprehensive income	**15.88**	**(0.45)**	**15.43**
Employer contributions/ premium paid	-	(7.75)	(7.75)
Benefit payments	(26.45)	26.45	-
31 March 2018	**98.60**	**(35.20)**	**63.39**

(ii) **Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

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% to 8%	1% to 8%	1% to 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-18		31-Mar-17	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(90.88)	107.52	(82.48)	99.37
Salary growth rate (-/+ 1%)	107.36	(90.89)	98.59	(83.08)
Withdrawal rate (-/+ 1%)	99.80	(97.24)	91.26	(89.46)

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 insurance company of India. The Company does not have any liberty to manage the funds provided to insurance companies.

(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 ₹ 22.80 lacs.

The weighted average duration of the defined benefit obligation is 5.41 (31 March 2017: 6.93 years,1 April 2016 – 6.86 years). The expected maturity analysis of undiscounted gratuity is as follows: (₹ in lacs)

	Less than a year	Between 2- 5 years	Over 5 years
31 March, 2018	5.78	43.15	38.20
31 March, 2017	21.45	11.38	57.44
1 April, 2016	20.77	2.56	52.35

Notes to Financial Statements *(Contd.)*

Note: 38 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.

(b) Dividends paid and proposed

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of NIL (31 March 2016 – NIL) per fully paid share	-	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹14 per fully paid equity share (31 March 2017 – NIL). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,174.49	-

Note: 39 Payment to auditors

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Statutory Auditors		
As Auditors		
Audit Fees	6.00	6.00
Tax Audit Fees	-	1.50
In Other Capacity		
Certification and Other Service	-	4.85
Total	**6.00**	**12.35**

Notes to Financial Statements *(Contd.)*

Note: 40 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									
Margin money deposits	-	-	2.53	-	-	2.39	-	-	4.84
Security deposits	-	-	183.88	-	-	14.86	-	-	18.59
Loan to related party	-	-	2,500.00	-	-	3,100.00	-	-	800.00
Trade receivables	-	-	10,346.60	-	-	3,257.16	-	-	4,871.19
Cash and cash equivalent	-	-	869.99	-	-	383.27	-	-	934.59
Balances with banks	-	-	-	-	-	2.59	-	-	-
	-	**-**	**13,903.00**	**-**	**-**	**6,760.26**	**-**	**-**	**6,629.20**
Financial liabilities									
Borrowings	-	-	4,435.66	-	-	16,047.42	-	-	24,986.36
Security deposits	-	-	21.06	-	-	22.06	-	-	26.47
Trade payable	-	-	9,367.64	-	-	3028.45	-	-	1,462.55
Current maturities of long term borrowings	-	-	3,008.18	-	-	5,305.46	-	-	9,524.35
Interest accrued but not due on borrowings	-	-	11.88	-	-	23.03	-	-	137.80
Other payables	-	-	2,085.26	-	-	1,024.79	-	-	1,670.63
Retention money	-	-	12.28	-	-	9.99	-	-	12.04
	-	**-**	**18,941.96**	**-**	**-**	**25,461.20**	**-**	**-**	**37,820.20**

(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 the 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.

(iii) **Fair value of financial assets and liabilities measured at amortised cost**

(₹ in lacs)

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security Deposits and margin money	5.74	5.74	6.75	6.75	12.92	12.92
Loan	2,500.00	2,500.00	3,100.00	3,100.00	800.00	800.00
Total financial assets	**2,505.74**	**2,505.74**	**3,106.75**	**3,106.75**	**812.92**	**812.92**
Financial liabilities						
Borrowings	481.41	493.14	120.96	122.58	231.64	235.11
Security deposit	21.06	21.06	22.06	22.06	26.47	26.47
Total financial liabilities	**502.47**	**514.20**	**143.02**	**144.63**	**258.12**	**261.59**

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 fair values of borrowings and loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings and loans with floating rate of interest 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: 41 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	Ageing analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
Market risk – foreign exchange	Future commercial transactions and recognised financial liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Diversification of liability
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

(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	6 months to 1 year	More than 1 Years	Total
Trade receivable as on 31 March, 2018	8,559.02	1,787.58	-	-	10,346.60
Trade receivable as on 31 March, 2017	1,755.33	1,501.83	-	-	3,257.16
Trade receivable as on 1 April, 2016	1,901.41	2,969.78	-	-	4,871.19

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 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as illustrated in Note 40.

(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.

Notes to Financial Statements *(Contd.)*

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)	9,397.51	5,390.56	1,359.66
	9,397.51	**5,390.56**	**1,359.66**

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 INR.

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	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payable	9,367.64	-	-	-	9,367.64
Borrowings	4,610.67	2,834.45	-	-	7,445.12
Interest payable on borrowings	318.95	107.23	-	-	426.18
Other financial liabilities	2,097.54	-	-	-	2,097.54
Total financial liabilities	**16,394.80**	**2,941.68**	**-**	**-**	**19,336.48**

(₹ in lacs)

Contractual maturities of financial liabilities - 31 March, 2017*	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payable	3,028.45	-	-	-	3,028.45
Borrowings	12,914.91	7,841.15	600.00	-	21,356.06
Interest payable on borrowings	1,163.00	833.00	71.00	-	2,066.80
Other financial liabilities	1,034.78	-	-	-	1,034.78
Total financial liabilities	**18,141.14**	**8,674.15**	**671.00**	**-**	**27,486.09**

(₹ in lacs)

Contractual maturities of financial liabilities - 1 April, 2016*	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade Payable	1,462.55	-	-	-	1,462.55
Borrowings	19,414.69	10,601.98	4,500.49	-	34,517.16
Interest payable on borrowings	2,063.18	1,799.69	288.10	-	4,150.98
Other financial liabilities	1,682.67	-	-	-	1,682.67
Total financial liabilities	**24,623.10**	**12,401.67**	**4,788.59**	**-**	**41,813.36**

(C) Market risk

(i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk exposure

The Company's exposure to foreign currency (USD) risk at the end of the reporting period expressed in ₹ are as follows:-

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Financial assets	1,280.08	2.84	32.30
Financial liabilities	2,214.57	3,951.57	6,186.10
Net exposure to foreign currency risk	**(934.49)**	**(3,948.73)**	**(6,153.80)**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit before tax	
Particulars	31-Mar-18	31-Mar-17
USD sensitivity		
INR appreciates by 10% (2017: 10%)	93	395
INR depreciates by 10% (2017: 10%)	(93)	(395)

(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 long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018, 31 March 2017 and 1 April 2016, the Company's borrowings at variable rate were denominated in ₹ and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Variable rate borrowings	6,964	19,235	30,036
Fixed rate borrowings	481	2,121	4,482
Total borrowings	**7,445**	**21,356**	**34,517**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax	
Particulars	31-Mar-18	31-Mar-17
Interest expense rates – increase by 50 basis points (2017: 50 bps)	(34.82)	(96.18)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)	34.82	96.18

* Holding all other variables constant

Notes to Financial Statements *(Contd.)*

Note: 42 Related Party Disclosures

I.	A	Names of the related parties	Nature of relationship
		Star Cement Limited (SCL)	Holding Company
		Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
		Meghalaya Power Limited (MPL)	Fellow Subsidiary
		NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	B	Other related parties	Nature of relationship
	1	**Key Management Personnel**	
		Mr. Prem Kumar Bhajanka	Managing Director
		Mr. Swarup Chand Kayal	CFO (Continued upto 28.02.2017)
		Mr. Dilip Kumar Agarwal	CFO (w.e.f. from 29.05.2017 & Resigned w.e.f. from 13.11.2017)
		Mr. Koushik Ranjan Saha	Company Secretary (w.e.f. from 02.05.2016 & Resigned w.e.f. 16.09.2017)
		Mr. Amit Kumar Singh	CFO (w.e.f. from 06.02.2018)
		Mr. Rahul Srivastava	Company Secretary (w.e.f. from 27.11.2017 & Resigned w.e.f. from 04.04.2018)
	2	**Relative of Key Management Personnel**	
		Mrs. Renu Chamaria	Wife of Rajendra Chamaria (w.e.f. from 02.11.2016)
		Mrs. Vrinda Kedia Chamaria	Daughter In Law of Mr. Rajendra Chamaria (w.e.f. from 02.11.2016)
	3	**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
	4	**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

Notes to Financial Statements *(Contd.)*

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March, 2018

(₹ in lacs)

Sl. No.	Type of Transactions	Holding Company			Fellow Subsidiary			Enterprises influenced by KMP			Key Management Personnel & Its Relative		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	Purchase Transactions												
	SCL	86.82	70.96	-	-	-	-	-	-	-	-	-	-
	MPL	-	-	-	5,515.55	5,770.30	-	-	-	-	-	-	-
2	Sales Transactions												
	SCL	40,236.23	27,625.06	-	-	-	-	-	-	-	-	-	-
	CPIL	-	-	-	-	-	-	-	0.57	-	-	-	-
	MTEPL	-	-	-	922.76	8,965.65	-	-	-	-	-	-	-
3	Services Rendered												
	SCL	82.54	63.01	-	-	-	-	-	-	-	-	-	-
	MPL	-	-	-	2.31	3.40	-	-	-	-	-	-	-
	MTEPL	-	-	-	1.19	8.49	-	-	-	-	-	-	-
4	Loan & Advances Given												
	MPL	-	-	-	-	2,300.00	-	-	-	-	-	-	-
6	Loan & advances Repaid												
	MTEPL	-	-	-	600.00	-	-	-	-	-	-	-	-
	MPL	-	-	-	600.00	-	-	-	-	-	-	-	-
7	Remuneration Paid												
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	-	-	-	60.00	60.00	-
	Mr. Koushik Ranjan Saha	-	-	-	-	-	-	-	-	-	-	3.43	-
	Mr. Swarup Chand Kayal	-	-	-	-	-	-	-	-	-	-	17.65	-
	Mrs. Renu Chamaria	-	-	-	-	-	-	-	-	-	30.00	12.50	-
	Mrs. Vrinda Kedia Chamaria	-	-	-	-	-	-	-	-	-	28.20	11.75	-
	Mr. Amit Kumar Singh	-	-	-	-	-	-	-	-	-	1.08	-	-
	Mr. Rahul Srivastava	-	-	-	-	-	-	-	-	-	1.36	-	-
8	Interest Paid												
	MTEPL	-	-	-	38.60	62.05	-	-	-	-	-	-	-
9	Interest Received												
	MPL	-	-	-	162.96	135.74	-	-	-	-	-	-	-
10	Balance outstanding as on 31.03.2018												
A.	Advances/Loan Received												
	MTEPL	-	-	-	-	600.00	600.00	-	-	-	-	-	-

Notes to Financial Statements *(Contd.)*

(₹ in lacs)

Sl. No.	Type of Transactions	Holding Company			Fellow Subsidiary			Enterprises influenced by KMP			Key Management Personnel & Its Relative		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
B.	Advance from Customers												
	MTEPL	-	-	-	-	-	53.70	-	-	-	-	-	-
C.	Advances/Loan Given												
	MPL	-	-	-	2,500.00	3,100.00	800.00	-	-	-	-	-	-
D.	Creditors												
	MPL	-	-	-	30.13	550.30	-	-	-	-	-	-	-
E.	Debtors												
	CPIL	-	-	-	-	-	-	-	0.57	-	-	-	-
	SCL	6,933.21	746.06	1,537.99	-	-	-	-	-	-	-	-	-
	MTEPL	-	-	-	-	256.95	-	-	-	-	-	-	-
F.	Guarantees obtained												
	SCL	-	-	8,654.77	-	-	-	-	-	-	-	-	-
									-	-			
G.	Share Capital (Including Securities Premium)												
	SCL	17,414.67	17,414.67	17,414.67	-	-	-	-	-	-	-	-	-
	MTEPL	-	-	-	2,983.33	2,983.33	2,983.33	-	-	-	-	-	-

III. Key management personnel compensation

(₹ in lacs)

Particulars	31-Mar-18	31-Mar-17
Short-term employee benefits	62.44	81.08
Post-employment benefits*	-	-
Long-term employee benefits*	-	-
Total compensation	**62.44**	**81.08**

* Post employment benefit and long term employees benefit are determined on the basis of acturial valuation for the company as a whole and hence segregation is not available.

Note: 43 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 at 1 April 2016 (the Company's 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.

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.1.2 **Long Term Foreign Currency Monetary Items**

Ind AS 101 allows that a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the Company has elected to continue the following policy adopted by it under the previous GAAP for accounting for exchange differences arising from translation of aforesaid long-term foreign currency monetary items.

A.2 **Ind AS mandatory exceptions**

A.2.1 **Estimates**

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

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

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

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

B. RECONCILIATION

Reconciliation of equity as per previous GAAP to Ind AS as at 31 March 2017 (₹ in lacs)

Particulars	Note	Amount
Total Equity under previous GAAP		**55,242.75**
Adjustments:		
Transaction cost on borrowing recognised as per EIR approach	1	(3.27)
Transaction cost adjusted with borrowing	1	6.45
Government grant	2	(6,294.77)
Deferred tax asset/(liability) on adjustment	4	(1.10)
Total adjustments		**(6,292.69)**
Total Equity under Ind AS		**48,950.06**

Notes to Financial Statements *(Contd.)*

Reconciliation of equity as per previous GAAP to Ind AS as at 1 April 2016 (₹ in lacs)

Particulars	Note	Amount
Total Equity under previous GAAP		**46,019.09**
Transaction cost on borrowing recognised as per EIR approach	1	6.45
Government grant	2	(7,897.64)
Deferred tax (asset)/liability on adjustment	4	(2.23)
Total adjustments		**(7,893.44)**
Total Equity under Ind AS		**38,125.65**

Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ in lacs)

Particulars	Note	Amount
Profit after tax under previous GAAP		**9,223.67**
Remeasurement of post employement benefit plan	3	(1.65)
Transaction cost adjusted with borrowing	1	(3.27)
Government grant	2	1,602.87
Tax effect on adjustment	4	1.70
Profit after tax as per Ind AS		**10,823.32**
Other comprehensive income (net of tax)		1.08
Total comprehensive income as per Ind AS		**10,824.40**

C: Notes to first-time adoption:

Note 1: Borrowings

As per Ind AS 109 at initial recognition, an entity shall measure a financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial liability. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method.

Note 2 : Government grant

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

Note 3: 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.

Note 5: Cash flow Statement

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

Note: 44 Borrowing cost of foreign loan

The Company has exercised the option in accordance to paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31 March, 2018 is ₹ 328.52 lacs (31 March 2017: ₹ 441.41 lacs, 1 April 2016 ₹ 432.01 lacs).

Notes to Financial Statements *(Contd.)*

Note: 45 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lacs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17	01-Apr-16
a.	Export obligation under EPCG scheme	996.33	1,152.12	1,152.12
b.	Claims against the Company not acknowledged as debts – Excise	360.10	278.06	165.49
c.	Solvent surety furnished to Excise Department against differential excise duty refund [Refer note (b)]	1,200.98	1,009.18	-

(a) 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.

(b) Against company's claim for refund of differential excise duty, Hon'ble High Court at Guwahati vide its order dated 1 December, 2016, in the matter of Raj Coke industries & others Versus the Union of India has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety. Based on the said judgment of the Hon'ble High Court and legal opinion obtained by the company and the differential excise duty refund of ₹ 146.78 (31 March 2017: ₹ 2255.19 lacs , 1 April 2016: Nil) have been recognized as revenue in the book of accounts.

Note: 46 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 allocated to a corpus and 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 ₹ 150.47 lacs (31 March 2017: ₹ 82.22 lacs)

b) Amount spent during the year on:

(₹ in lacs)

Sl. No.	Nature of Expenditure	31-Mar-18	31-Mar-17
(i)	Education	233.17	72.77
(ii)	Promoting Rural Sports	-	1.84
(iii)	Rural Development	7.67	11.70
	Total	**240.84**	**86.31**

Note: 47 Segment information

Cement Clinker' is the only identified operating segment of the Company.

Two customers of the entity accounts for approximately 77.16% of the revenue for the year ended 31 March 2018 (31 March 2017 : 72.60%)

Sl. No.	Party Name	31-Mar-18	31-Mar-17
(i)	Star Cement Limited	77.16%	55.28%
(ii)	Megha Technical & Engineers Private Limited	-	17.32%
	Total	**77.16%**	**72.60%**

Notes to Financial Statements *(Contd.)*

Geographical information

The entire revenue of the Company has been generated by way of domestic & export sales. (₹ in lacs)

Sl. No.	Geographical Location	31-Mar-18	31-Mar-17
(i)	India	44,173.63	44,820.13
(ii)	Nepal	4,263.06	1,772.55
(iii)	Bhutan	1,619.09	265.70
	Total	**50,055.78**	**46,858.38**

Note: 48

Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under: (₹ in lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	-	-	-
(ii) Interest due on above	-	-	-
Total of (i) & (ii)	-	-	-
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	0.06	0.06	0.02
(iv) Amount paid to the suppliers beyond the respective appointed date.	6.43	6.91	1.77
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-	-
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-	-

49. The financial statements are approved by the audit committee at its meeting held on 17 May,2018 and by the Board of Directors on the same date.

50. Previous GAAP figures have been reclassified/ regroup to confim the presentation requirements under Ind AS and the requirements laid down in division II of the schedule III of the Companies Act, 2013.

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

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place: Kolkata
Date: 17 May, 2018

For and on behalf of the Board of Directors

Prem Kumar Bhajanka
Managing Director
DIN: 00591512

Amit Kumar Singh
Chief Financial Officer

Sajjan Bhajanka
Director
DIN: 00246043

NOTES

NOTES

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