



CHALLENGING TIMES. INSPIRED RESPONSES.

Cement Manufacturing Company Limited
Annual Report, 2014-15



INDIA'S INFRASTRUCTURE SECTOR REMAINED SUBDUED IN FY2014-15. CEMENT SUPPLY EXCEEDED DEMAND. THE COUNTRY'S CEMENT INDUSTRY REPORTED A MEAGRE GROWTH OF 5.6% DURING THE YEAR.

AT CMCL, WE INVESTED IN CAPACITIES, CONTINUED TO INVEST IN MARKETING AND PROMOTIONAL ACTIVITIES, INCREASED OUR CAPACITY UTILISATION TO 70% AND GENERATED AN AVERAGE 5.10% INCREASE IN REALISATIONS. IN SO DOING, WE OUTPERFORMED THE NATIONAL CEMENT INDUSTRY GROWTH SUBSTANTIALLY.





Vision

Continue to remain among the best cement corporation in Eastern India with growth in allied areas.



Mission

To provide utmost satisfaction to the consumer through quality products and superior service

To continuously upgrade the product through innovations and convergence of new technology and to produce the best quality at the lowest costs

To safeguard and enhance shareholder value

To respect the dignity of all employees and be instrumental to the development of the country, while protecting the environment

To utilise surpluses for the welfare of employees and the society at large



Background

Having begun our operation in 2004, we have gradually emerged as the largest cement manufacturing company in North Eastern India (capacity of 3.10 million tonnes per annum). The Company is managed by a seasoned promoter body along with a team of experienced professionals.



Brand

The Star Cement brand owned by the Company is the largest brand in North Eastern India and rapidly emerging as one of the major brands in Eastern India. The brand is available at more than 2,000 dealers and 5,000 retailers and enjoys an enviable market share of 23% in North Eastern India.

The Company's institutional customers comprise reputed national agencies like Oil India Limited, Larsen & Toubro Limited, National Thermal Power Corporation Limited and Directorate General of Supplies and Disposals, among others. The Company also markets clinker and cement to a number of grinding units in India, Nepal and Bhutan.

CMCL IS AN ATTRACTIVE PROXY OF EASTERN INDIA'S CEMENT INDUSTRY.

The Company reported possibly the highest EBIDTA per tonne of cement marketed across India and a market share of 23% among the highest in North Eastern India.



Quality

The Company is ISO 9001:2008, ISO 14001:2004 and OHSAS 18001-certified.

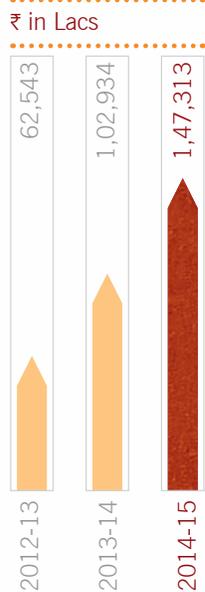
Presence

The Company's registered office is located in Meghalaya and corporate office in Kolkata. The Company has five manufacturing units in Lumshnong (Meghalaya) and Guwahati (Assam) and two hired units at West Bengal. The Company has four marketing offices and a distributional network comprising more than 2,000 dealers spread across North Eastern India and West Bengal.

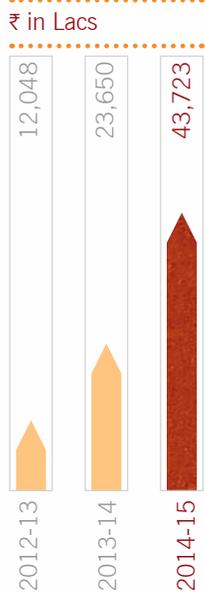


PERFORMANCE IN NUMBERS

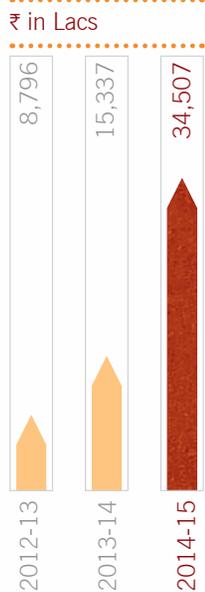
Gross revenues



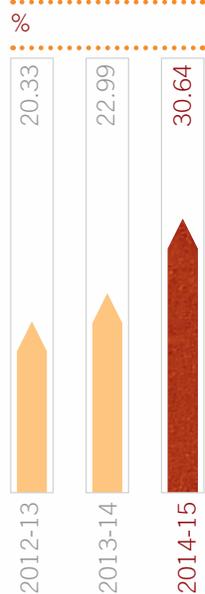
EBIDTA



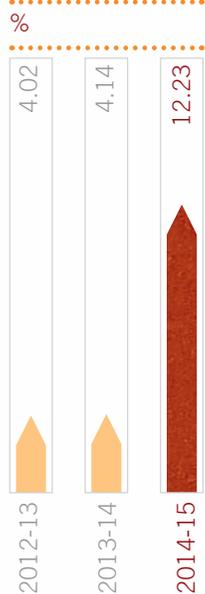
Cash profit



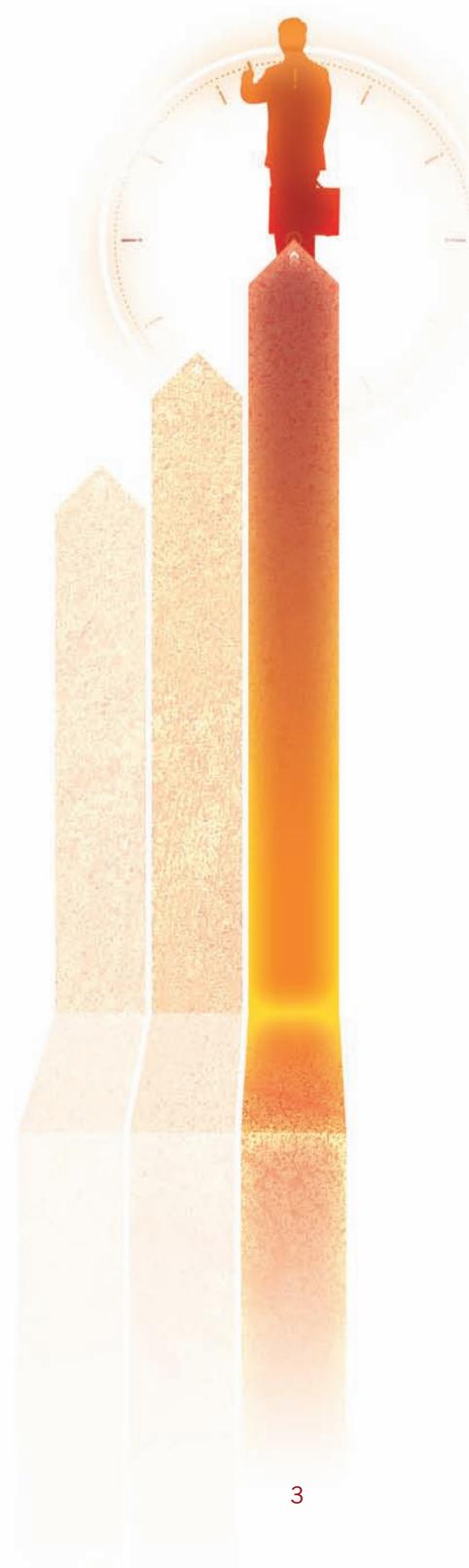
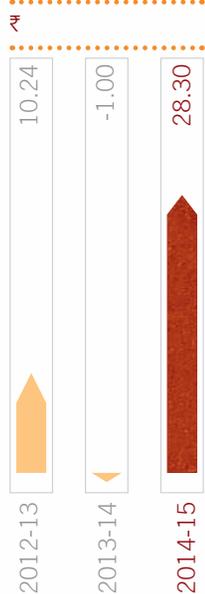
EBIDTA margin



Return on capital employed



Earnings per share



Dear shareholders,

The year FY2014-15 proved to be a satisfactory year at CMCL for some pertinent reasons.

CMCL successfully outperformed the cement industry, across parameters:

A 30.50% growth in volumes as against a cement industry growth of 5.6%

A capacity utilisation of 70% (an increase of 15 bps over 2013-14).

A 43.11% increase in gross revenues to ₹1,469.66 crore

A 84.87% increase in EBIDTA to ₹437.23 crore

Inspired response

CMCL was able to outperform its sectoral averages for various reasons:

Expanding capacities: The year 2014-15 was the first full year of operations following our capacity expansion. The Company's newly commissioned grinding unit in Sonapur, Assam, produced 1.44 million tonnes of cement during the year under review compared to 0.95 million tonnes in the previous financial year; the recently-commissioned clinkerisation unit at Lumshnong produced 1.55 million tonnes as against 1.10 million tonnes during FY2013-14. The Company posted a 30.50% increase in overall volumes with corresponding economies-of-scale.

Widening footprint: We continued to extend deeper into new geographies to position ourselves not only

Chairman and Managing Director's review

“WE CONTINUED TO EXTEND DEEPER INTO NEW GEOGRAPHIES TO POSITION OURSELVES NOT ONLY AS ONE OF THE LEADING CEMENT MANUFACTURERS IN NORTH EASTERN INDIA BUT ALSO ACROSS THE EASTERN INDIA”

Sajjan Bhajanka
Chairman and Managing Director

as one of the leading cement manufacturers in North Eastern India but also across the Eastern India. The result is that we now enjoy fair market shares in the markets of both Bihar and West Bengal.

Enhanced visibility: We undertook numerous various initiatives to engage with dealers, distributors, masons and concrete technologists. As a means to this end, we initiated the Star Pravin Mason Certification programme to provide masons and construction engineers the latest technological knowhow. This programme was led from the front by industry veterans like M.A. Shetty, a pioneer of concrete technology in India. The result: the Company's brand recall improved visibly and translated into enhanced offtake.

Sourcing locally: The Company engaged third-party grinding units in West Bengal, procuring clinker from the mother plant in North East India to enhance our local presence. The result was a visible reduction in delivery turnaround and a corresponding increase in the number of satisfied clients.

Outlook

The North Eastern states of India are relatively virgin markets when it comes to cement consumption. Over the next 10 years, India is expected to emerge

as one of the most active construction and infrastructure hubs, securing prospects for cement manufacturers. Besides, according to the Department of Industrial Policy and Promotion (DIPP), cement and gypsum products attracted foreign direct investment (FDI) worth US\$ 3,084.89 million between April 2000 and December 2014.

In the 12th Five Year Plan, the Central Government plans to increase investment in the infrastructure sector to the extent of US\$ 1 trillion. This is expected to incentivise an increase in the cement industry's capacity by 150 million tonnes per annum. The government announced a number of tax benefits for players operating out of North Eastern India, helping catalyse output and improve competitiveness.

At CMCL, we believe we are well-placed to capitalise on these emerging realities for some good reasons.

We carved out a sizeable market share of 23% in the region, with no major capacity additions expected in the immediate future.

We have carved a niche for ourselves on the back of our

superior product quality and holistic customer engagement initiatives.

We have forged enduring relationships with key opinion makers like masons, architects and engineers.

We have fostered a healthy work culture resulting in one of the highest people retention rates.

Consequently, our learning curve has declined, our capacity utilisation has increased, our marketing coverage has widened and our brand recall improved.

In the years that lie ahead, the Company aims to penetrate deeper into the existing areas of our presence (North Eastern India) and foray into other Eastern Indian states (apart from West Bengal, Bihar and Jharkhand).

This will reduce the risk of CMCL's excessive dependence on North Eastern India and allow us to reaffirm our identity as one of the formidable cement players in the region.



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting Fourteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended 31st March, 2015 as compared to the previous financial year are as under:

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Net Sales / Income	143,120.91	103,060.96	111,408.52	73,675.38
Profit before Interest, Depreciation, Tax and extra ordinary items	43,723.31	23,650.50	17,599.61	6,595.92
Extraordinary Items	1.83	(102.39)	(1.31)	(108.11)
Profit before Interest, Depreciation and Tax	43,725.14	23,548.11	17,598.30	6,487.81
Interest & Finance Charges	(8,738.44)	(8,344.19)	(4,452.40)	(3,486.25)
Depreciation	(22,374.29)	(15,683.18)	(8,645.70)	(4,531.79)
Profit/(Loss) before Tax	12,612.41	(479.26)	4,500.19	(1,530.23)
Provision for taxation:				
- Current Tax	2,640.09	87.87	953.27	-
- Less: MAT credit entitlement	(2,640.09)	-	(953.27)	-
- Net Current Tax	-	(87.87)	-	-
-MAT Credit entitlement of earlier years	-	(26.61)	-	-
- Income Tax for earlier years	16.52	0.40	-	-
- Deferred Tax	(496.65)	247.62	102.44	(39.15)
-Minority Interest	(266.88)	(74.15)	-	-
Net Profit after Tax (after minority)	11,865.39	(419.88)	4,602.63	(1,569.38)
Add: Balance as per the last financial statement	52,443.43	54,209.46	36,257.92	39,173.45
Profit available for appropriation	64,308.82	53,789.58	40,860.54	37,604.06
Appropriations:				
General Reserve	-	(120.00)	-	(120.00)
Proposed Dividend on Equity Shares	(3,353.71)	-	(3,353.71)	-
Corporate Dividend Tax	(670.55)	(178.11)	(670.55)	(178.11)
Interim Dividend	-	(1,048.03)	-	(1,048.03)
Total	(4,024.26)	(1,346.15)	(4,024.26)	(1,346.15)
Balance carried forward to Balance Sheet	60,284.57	52,443.43	36,836.29	36,257.92



OPERATIONAL PERFORMANCE

FY 2014-15 has been more a year of consolidation for operations of your Company and its subsidiaries. The operational performance of clinkerisation unit of subsidiary M/s. Star Cement Meghalaya Limited and grinding unit at Guwahati was further stabilised. M/s. Star Cement Meghalaya Limited has been able to produce 15,49,349 MT of clinker during FY 2014-15 as against 11,02,905 MT during FY 2013-14 registering a growth of 40%. In terms of capacity utilisation, the unit was able to utilise close to 89% of its installed capacity in FY 2014-15 as against 63% during FY 2014-15. Similarly, the grinding unit at Guwahati produced 14,44,955 MT of Cement during FY 2014-15 as against 954,679 MT registering a growth of 51% over previous year. On capacity utilisation front too, the Guwahati grinding unit was able to operate at 90% of its installed capacity during FY 2014-15 as against 60% during FY 2013-14.

On Consolidated basis total clinker production was at 18,79,359 MT during FY 2014-15 as against 13,78,616 MT during FY 2013-14, registering a growth of 36%. Your Company has made arrangements with grinding units in West Bengal also to supplement its market requirement. The total cement production on Consolidated basis (including the hired Grinding units) was at 21,71,666 MT during FY 2014-15 as against 16,64,037 MT during FY 2013-14 registering a growth of 31%.

On the sales side too, your Company has been able to register highest ever sales volume during FY 2014-15. Your Company has been able to sale 21,69,251 MT of Cement in FY 2014-15 as against 16,31,048 MT during FY 2013-14, registering a growth of 33% over previous year.

With improved outlook of economy during the ensuing financial years, your Company expects to improve its performance on operational side even better.

INDIAN ECONOMY AND GLOBAL CONDITIONS

After prolonged stagnation observed in Indian Economy in recent past, year 2014-15 started showing indications of consolidation and recovery. This is getting reflected through various indicators like annual growth rate of Gross Domestic Product (GDP) was seen to improve to 7.5 per cent in the last October-December quarter as against 6.4 per cent in the October-December quarter

of 2013. GDP growth in the first three quarters of the FY15 has averaged at 7.4 per cent, year on year basis.

On the inflation side, sustained efforts by Government to control price rise coupled with falling crude prices resulted into lower inflationary pressure. Food Inflation index has fallen tremendously from 9.66 per cent around April, 2014 to 4.78 per cent by December, 2014. Retail inflation (CPI-Consumer Price Index) has also moderated. It declined to all time low of 5 per cent in Q3 of 2014-15 after having remained stubbornly stuck around at 9-10 percent for last 2 years. The Rupee remained relatively stable, and the Current Account Deficit (CAD) is continuously shrinking from 2 per cent of GDP in Q4 of 2013-14 to 1.6 per cent in Q3 of 2014-15.

Initiatives undertaken by Government in the areas of unblocking of Coal Blocks, allocation of Telecom Spectrum, deregulation of diesel prices resulting into reduced cost of import bills and visible intent of New Government at Centre to bring reforms in Financial and Economic Sectors has boosted overall confidence of investors in Indian Economy which is well reflected by data of Foreign Direct Investment that has increased from USD 2133 million by March, 2014 to USD 5502 Million by January, 2015. The Business confidence index has been continuously rising from 49.90 in Q4 of 2013-14 to 56.40 in Q4 of 2014-15. The Consumer confidence index also shows positive signs.

On the other hand performance of other economies of the globe was uneven and mixed. In Europe and Advanced European countries there are signs of pickup and some positive momentum in the euro area, reflecting lower oil prices and supportive financial conditions, but risks of prolonged low growth and low inflation remain. Economic activity softened in emerging and developing Europe last year, and more countries slipped into deflation. External demand remains subdued and high corporate debt continues to weigh on investment. Asia's growth is forecast to hold steady in 2015, and the region is expected to continue outperforming the rest of the world over the medium term. While the Chinese economy is shifting to a more sustainable pace, growth is projected to pick up elsewhere in the region. This reflects the boost from lower world oil prices, strengthening external demand, and still-accommodative financial conditions despite some recent tightening. Growth in Latin America and

the Caribbean slowed to 1.3 percent in 2014 and is projected to soften to an even lower rate in 2015.

INDIAN CEMENT INDUSTRY – RETROSPECT AND OUTLOOK

In line with trend of recovery in Indian Economy as a whole, Indian Cement Industry has also shown trend of recovery during FY 2014-15. After witnessing an all-time low demand and profitability during the previous financial year, in the first nine months of FY 2014-15 cement productions has grown by 7.90% as against 3.70% in corresponding period last year and 3% in FY 2013-14. Apart from other economic factors which helped the economy as a whole to grow, the delayed monsoons which extended the window for continuation of construction activities helped cement industry in particular to grow during the year under review.

The recent past has witnessed a slowdown in the new capacity addition in cement industry due to demand constraints. Between FY 2010-11 to FY 2013-14 the industry added 65 MTPA cement capacity as against 92 MTPA in the preceding three-year period of FY 2007-08 – FY 2010-11.

The slowdown in demand resulted into lower capacity utilisation from 77% in FY 12 to 72% in FY 14 despite slowdown in fresh capacity addition.

The growth outlook for Indian cement industry remains positive on the back of rising infrastructure activities, increasing demand from Housing Sectors and recovery witnessed in construction industry. Recent developments in the industry supported by Governments initiatives in form of considerable thrust and importance assigned for the development of Infrastructure, Roads, Urban and Rural Housing, Ports, Ultra Mega Power Projects etc., the demand outlook remains positive in the years to come. During next three years it is expected that demand would grow by more than 8% leading to increase in rate of capacity utilisation from 72% in FY 14 to 75% in FY 16. The capacity utilisation is likely to further improve to 79% in FY 17.

The major cost drivers of cement industry being logistic cost, power and fuel remained under pressure. Falling crude oil prices in international market coupled with deregulation of diesel prices

in the country resulted into availability of diesel at lower prices. However, the increase in rates of railway freight has offset this benefit. Timely availability of Railway Rakes was another constraint which industry as a whole had to face on logistic front. Price and availability of quality coal remained a constraint for the industry during the year under review too. Non-availability of coal to power plants resulted into restricted power supply which had implication on power cost too. However, unblocking of coal blocks in recent past is likely to help the power and cement industry both.

CEMENT SCENARIO – EAST

Looking at huge potential and opportunities in the North Eastern Region (NER) as a whole, NER Markets continue to remain the focus market for your Company. In line with trend of slowdown in economic activities in rest of the country, the economic activities in NER also witnessed to grow at a slower pace but still faster than rest of country owing to its under developed status in recent years. NER represents 9 per cent of India's geographical area and contributes 3 per cent to the country's gross domestic product (GDP). In relative terms, it is one of India's economically under-developed regions. However, given its natural resources base and strategic location, NER has the potential to become India's "powerhouse" in terms of trade and investment. Although the NER is rich in resources like hydrocarbons and other minerals and has immense potential to produce hydroelectricity, absence of adequate infrastructure has impeded its development.

Owing to its geographical location, NER is unique in terms of the economic opportunities it offers. About 98 per cent of the region borders form India's international boundaries. It shares borders with China, Bangladesh, Bhutan and Myanmar. Given its strategic location, the region has potential to be developed as a base for India's growing economic links not only with the Association of Southeast Asian Nations (ASEAN) but also with neighbouring countries, viz. Bangladesh, Bhutan, and Nepal.

The North East Region (NER) is a land of opportunities, with huge potential for growth and development. On the Hydro Power Front, the region of North East is said to be 'The Power House of India'. It has been estimated that North Eastern States including



Sikkim have the potential of 84,000 MW of hydro power which is about 43 per cent of the total hydro power generation capacity in the country. Conversely, only five per cent of its potential has been harnessed so far. The Central Government is promoting private sector in the region to boost investment in power sector and about 14,000 MW has already been allotted to private players in NER as part of “50,000 MW hydro initiative”.

Road is an important mode of travel in the hilly areas as other mode of travel is either too expensive or difficult. The road infrastructure is relatively deficient in the NER. To address this, The Ministry of Road Transport and Highways has been paying special attention to the development of national highways in the region. The ministry has earmarked 10% of the total allocation for the NE region. There has also been a special thrust in building the road infrastructure. Sufficient funds have also been allocated in building the road infrastructure in the NE states.

The coverage of Railway still remains poor in the region. The Ministry of Railways has undertaken a lot of gauge conversion and new line projects in the North Eastern Region. At present, there are 7 new lines, 6 gauge conversion, 2 doubling and 3 railway electrification ongoing railway projects under North Eastern Railway. New railway lines on Azra-Byrnihat, Dudhnoi-Mehendi Pather and Byrnihat-Shillong routes in Meghalaya are under construction. The construction of the extension of a vital broad gauge rail link between Bairabi rail terminus on the Mizoram-Assam border and Sairang, a village 20 km west of Aizawl, is in progress. In Sikkim rail connectivity is being created between Rangpoo and Siliguri in West Bengal. A railway track is also to be laid for connecting Agartala with Akhaura in Bangladesh.

All above infrastructure development projects is expected to convert in huge cement demand in NER. On the retail side of demand, with increased focus on housing sector, retail demand in the region is likely to get a boost. Per Capita Cement consumption in NER is lowest in the country presenting huge potential for cement demand. In line with trend of Indian Economy, the per capita income and disposable surplus has seen a rising trend in NER also. This has led to a boost in retail housing sector too.

In the backdrop of above, NER presents huge opportunities for cement demand in the North Eastern Region. As mentioned earlier, your Company has been able to register a growth of 5.78% in sale of Cement in NER during the year under review over previous year. On the capacity side, there is no major cement capacity in pipeline in NER and in the backdrop of potential demand growth expected to come in NER owing to ongoing and upcoming infrastructure projects coupled with surge in retail demand, your Company enjoys strategic advantage of having its surplus capacity in the region.

Keeping strong foothold intact in the markets of NER and consolidating its position further, your Company is expanding its reach in other parts of Eastern India in the States of West Bengal and Bihar. As compared to rest of India, the Eastern Part is still under-developed in terms of infrastructure and also in housing sector. The per capita consumption of Cement in West Bengal, Bihar and Jharkhand is much lower to rest of India. Capitalising on the growth opportunities existing in these States of East, your Company had launched its product during later part of FY 2013-14 and during the year under review has been able to make the presence of its brand “STAR CEMENT” felt in these States. To augment on the capacity front, your Company has made arrangements with few grinding units in West Bengal. With strategically located clinker manufacturing facility in the State of Meghalaya having reach to quality limestone and quality fuel at relatively lower cost, the grinding unit arrangement in West Bengal presents strategic advantage to your Company to compete with relatively more established players in these States. The Company is expecting even better volumes in these markets in the ensuing financial year and years to come.

MARKET DEVELOPMENT

During FY 2014-15, your Company continued to enjoy Brand-Leadership position in the Markets of North Eastern Region (NER). With more stabilised operations of newly commissioned Cement Grinding Unit at Sonapur, Guwahati and Clinkerisation unit at Lumshnong in Meghalaya coupled with concerted marketing efforts, your Company was able to achieve highest ever volume in the markets of NER. During the year under review, the total sale in NER was at 14,98,380 MT as against 14,16,426 MT in FY 2013-14 registering a growth of 5.78%

over previous year. During the first half of year under review, there was slowdown in cement demand in NER which started picking up in third quarter and the last quarter of the year closed at very healthy note in terms of demand pick-up. Company's focused approach to expand its reach in urban and semi-urban markets of NER resulted into consolidating the presence of your brand "STAR CEMENT" and company was able to further improve its market share during the year under review.

Your Company has also added its product portfolio with value added feature and has recently launched its newly developed "Anti-Rust Cement" in the markets of NER. The product is presently under test marketing and is expected to present a better volume in years to come.

As reported last year, your Company had launched its product in the same brand name "STAR CEMENT" in the markets of West Bengal & Bihar. Your Directors are pleased to report that markets of West Bengal and Bihar have responded well for your product "STAR CEMENT" in terms of demand and acceptability both. During the year under review, your Company has been able to achieve sale of 6,70,871 MT of Cement in these markets as against 214,622 MT during the FY 2013-14 registering more than 200% growth. In order to cater to the needs of markets of West Bengal, Bihar and adjoining State Jharkhand, your Company has tied up with two grinding units in West Bengal to augment its capacity, in addition to supplying cement to these markets from its own units located in Assam and Meghalaya.

The expansion of dealer and retail network in NER and more particularly in Rural and Semi-Urban Areas of the Region has remained to be focus area of your Company during the year under review too. Your Company has added more than 500 dealers and more than 1000 sub-dealers to the family. The strong dealer and retail network in NER and in the markets of West Bengal & Bihar coupled with huge branding activities has resulted into better product placement, acceptability and top of mind recall for your product "STAR CEMENT". On the back of strong dealer and retail network with consistency in product quality followed up by branding activities, your Company expects to put much improved performance at market place in the ensuing financial year.

PRODUCTION AND COST DEVELOPMENTS

Your Company has been able to further optimise on production and cost sides. With increased volumes during the FY 2014-15, your Company has been able to have advantage of spread of its fixed costs on increased volumes. In addition, the close proximity of coal and limestone added further to its cost effectiveness.

Fly Ash

Your Company continued to promote environment friendly blended cement using fly ash and produced 17,45,710 MT of Portland Pozzolana Cement (PPC) (including from hired grinding units) on consolidated basis out of total production of 21,71,666 MT of cement during FY 2014-15. Usage of fly ash in cement is not friendly to environment only but also provides cost optimisation. Your Company has been able to utilise the fly ash generated by power plant of its subsidiary M/s. Meghalaya Power Limited and such close access to fly ash provides competitive edge to your Company in term of cost. In addition, your Company has also made arrangements with major power plants like NTPC, Tata Power and few others to ensure its long term requirement of fly ash.

Power cost

With more stabilised operations of its power subsidiary M/s. Meghalaya Power Limited, your Company has been able to reduce its dependency on state supplied grid power. Your Company has made long term arrangement with its subsidiary for supply of quality power at competitive rates. During the year under report, your Company has been able to capitalise on the opportunity of availability of reliable and quality power sourced from Indian Energy Exchange (IEX) for its grinding unit at Guwahati and has been able to reduce the power cost too by optimising the source mix between power supplied by IEX and Grid.

Logistics & Freight

On Logistics front your Company has expanded distribution network in the states of West Bengal, Bihar & Jharkhand besides reaching out to interior most areas of North East India. Warehousing network was increased substantially during the year.

Railway siding near Guwahati Grinding Unit was constructed



and commissioned in record time giving boost to Railway Rake handling capacity for inbound and outbound traffic while ensuring cost saving on Transportation and handling expenses.

Freight cost came under pressure during the year under review due to increase in Railway Freight and Road Freight in North East. Railway freight increased by 6.5% during July, 14. Your Company braved such inflationary situations through various innovative measures and using the right mix of mode of transportation through Rail, Road, Container and Bulkers. Your Company used online reverse auction for freight finalisation ensuring competitive freights. Freight discount offered by railway on empty flow direction helped Company to partially neutralise the effect of increase in railway freight.

Railway network in North East has increased with commissioning of Broad Gauge Link from Lumding to Badarpur and Rangia to Silapathar. Your Company is geared up for taking best advantage of such developments.

Few of the major highlights of the performance are:

KEY PERFORMANCE HIGHLIGHTS

- Consolidated cement production was 21,71,666 MT during the year as against 16,64,037 MT during the previous financial year, registering a growth of 31%.
- Consolidated net sales were ₹1,43,042.78 Lacs during the year under review as compared to ₹102,798.95 Lacs during the financial year 2013-14, registering a growth of 39%.
- Consolidated EBIDTA was 85% higher at ₹43,723.31 Lacs, as compared to ₹23,650.50 Lacs during the immediate previous financial year.
- Consolidated profit before tax during the year 2014-15 was at ₹12,612.41 Lacs as against a loss of ₹479.26 Lacs in the year 2013-14.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was ₹4,192.14 Lacs. During the year under review, the Company has not issued 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 six (6) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 19th March, 2015 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.

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, 2015 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. Manindra Nath Banerjee and Mr. Mangilal Jain are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Director of the Company.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management staff. 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. Kailash B. Goel & Co., Chartered Accountants, Statutory Auditors (Firm Registration no. 322460E) of the Company, will retire at the conclusion of the ensuing Annual General Meeting of the Company. Being eligible, they have offered themselves for re-appointment and have confirmed that their appointment, if made, will be in accordance to the provisions of Section 141 read with Section 139 of the Companies Act, 2013 and the rules framed there under for re-appointment of Auditors. Members are requested to approve and ratify their appointment. Members are also requested to empower the Board for fixation of Auditors' Remuneration.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

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 Auditor of the Company for the financial year ended 31st March, 2015.

The Board, on recommendation of Audit Committee, has appointed M/s. B. G. Chowdhury & Co., Cost Accountants, for audit of cost records for the ensuing financial year. The remuneration proposed to be paid to them as recommended by Audit Committee requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

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 Mr. Manoj Kumar Banthia, Practising Company Secretary, 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 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 given any loan to any person falling under ambit of Section 186 of the Companies Act, 2013.

Details of Guarantees and Investments 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 that were entered into during the financial year under review were entered on an arm's length basis and in the ordinary course of business. 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.

A Statement of all related party transactions is presented before the Audit Committee on quarterly basis. The details of transactions entered into with the Related Parties are annexed herewith and marked Annexure 3.

RESERVES

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

DIVIDEND

Your Directors are pleased to recommend a Final Dividend of 80% (₹8/- per equity share of ₹10/- each) (Previous year: Interim Dividend @ 25%, i.e., ₹2.50 per equity share of ₹10/- each). Total payout on account of Dividend for the year under review amounts to ₹4,024.26 Lacs including Dividend Distribution Tax of ₹670.55 Lacs.

CONSERVATION OF ENERGY (STEPS TAKEN / IMPACT ON CONSERVATION OF ENERGY, STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY, CAPITAL INVESTMENT IN ENERGY CONSERVATION EQUIPMENTS)

Your Company has taken following steps towards Conservation of Energy during the year under review:

- Optimisation of Load on incoming transformers;
- Generation pressure of compressor was reduced;
- Leakages in compressed air line of cement mill and CSP were arrested;
- Dampers were removed to avoid pressure loss in RABH fan;
- RPM of Cement Mill Pump was reduced;
- Removal of Damper to avoid pressure loss across fans in Raw Mill Silo;
- Modification was carried out in Coal Mill inlet chute by fixing polymer liner;
- Feed opening of the Inlet chute of Coal Mill was increased, to arrest frequent of the chute;

TECHNOLOGICAL ABSORPTION:

- Development of New Product with Anti-Rust properties;
- Replacement of Mill Scale with Laterite Clay in Raw Mill;
- Trial on optimisation of Fly Ash Mix;
- Trial on automation of Fly Ash feeding system.

EXPENDITURE ON RESEARCH & DEVELOPMENT

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 quality improvement.

During the year under review, your Company incurred Capital expenditure of ₹40.28 Lacs and Revenue Expenditure of ₹38.38 Lacs in Research & Development.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, Foreign Exchange Earning was ₹51.58 Lacs and the Foreign Exchange Outgo was ₹9,213.37 Lacs.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

Your Company is committed to communities in remote areas of its geographical presence where the Company essentially operates and gives prime importance to sustainable development of the entire region. With an aim to make CSR a progressive model, the Company, has aligned its CSR policy & practices in accordance with Schedule VII of Companies Act, 2013.

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

The Company's quest for improved literacy and education in Lumshnong region saw the advent of CMCL VidyaMandir, which is imparting quality education up to secondary level under CBSE affiliation. Extension of school building is being undertaken in full pace to upgrade the school to higher secondary level in the forthcoming years. The school is actively reaching out to the locals of surrounding communities by providing free-ships to the underprivileged. Additionally, your Company is also supporting

few government affiliated schools of the periphery villages by meeting their infrastructural and day-to-day educational needs.

The Company has been actively participating in socio-economic development of Lumshnong region and other surrounding villages and has been one of the key contributors to the Local Villages and NarpuhElaka (local territory) Development Funds. A need based strategy has been followed in consultation with local headman in constructing a community hall and few internal concrete roads in Lumshnong village. With a view to increase access to livelihood opportunities, your Company has been engaging local people as suppliers of limestone, coal, river sand etc.

The Company is providing quality health care facilities through CMCL hospital. With its qualified team of doctors and support staff, the hospital is facilitating out and in-patient medical care, pathology, x-ray, dispensary and ambulance facility to meet any emergency condition. During the year under review several free community health check-up and vaccination camps were conducted by your Company.

The Company is also a frontrunner in nurturing local sporting talent. During the year under review local football team from Lumshnong village has been actively supported with infrastructural requirements and equipments.

To reinforce its commitments as a responsible corporate citizen, your Company has a dedicated team to implement, monitor & evaluate community engagement programmes. Your Company has plans to set a benchmark to sustainable development of Community and local area through its cutting edge CSR programme. Over the years, CMCL has been efficiently able to hold on to what is good; hold on to what it believed; hold on to what it must do to promote itself from a doer's to enabler's.

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- 4.

EVALUATION OF THE BOARD'S PERFORMANCE

In accordance with the Companies Act 2013, the performance evaluation of the Board was carried out during the year. 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 will 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

The shareholders have ratified the appointment of Mr. Manindra Nath Banerjee as Independent Director who was appointed as Additional Director with effect from 15th July, 2014 by the Board as also appointment of Mr. Mangilal Jain as Independent Director at the Annual General Meeting held on 10th September, 2014 for a period of five years.

Further, Mr. Sanjay Agarwal was appointed as Managing Director of the Company with effect from 1st August, 2014 which was ratified by the shareholders at their Annual General Meeting held on 10th September, 2014. Also, Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria and Mr. Sanjay Agarwal were re-appointed as Managing Director for a further period of 3 years subject to the ratification in the ensuing General Meeting.

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Prem Kumar Bhajanka and Mrs. Clara Suja will retire by rotation and being eligible, offers themselves for re-appointment. In view of their considerable experience, your Directors recommend their re-appointment as Directors of the Company.

During the year under review, the Board on the recommendation



of the Nomination and Remuneration Committee appointed Mr. Dilip Kumar Agarwal as Chief Financial Officer with effect from 20th September, 2014 and Mr. Sanjay Kumar Gupta was appointed as Chief Executive Officer with effect from 26th March, 2015.

The following personnel are Key Managerial person of the Company:

1. Mr. Sajjan Bhajanka : Managing Director
2. Mr. Rajendra Chamaria : Managing Director
3. Mr. Sanjay Agarwal : Managing Director
4. Mr. Sanjay Kumar Gupta : Chief Executive Officer
5. Mr. Dilip Kumar Agarwal : Chief Financial Officer
6. Mr. Manoj Agarwal : Company Secretary

HOLDING, SUBSIDIARIES AND ASSOCIATE COMPANY

Star Ferro and Cement Limited continue to remain the Holding Company with a stake of 70.48% in your Company.

M/s. Star Cement Meghalaya Limited, M/s. Megha Technical & Engineers Private Limited, M/s. Meghalaya Power Limited and M/s. NE Hills Hydro Limited continue to remain subsidiaries of the Company.

Star Cement Meghalaya Limited is engaged in manufacturing of Cement Clinker and has a Clinkerisation plant with an installed capacity of 1.75 MTPA. During the year under review, the Company manufactured 15,49,349 MT of clinker as against 11,02,905 MT in FY 2013-14.

Megha Technical & Engineers Private Limited is engaged in the manufacture of cement and generation of power. During the year under review, the Company produced 3,20,836 MT of Cement.

Meghalaya Power Limited is engaged in the generation of Power. During the year under review the Company generated 1679.23 Lacs units of power

NE Hills Hydro Ltd., wholly owned subsidiary of your Company is currently not operational.

AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial

statement for the year ended 31st March, 2015 for each of the Company's subsidiaries viz. Star Cement Meghalaya Limited (SCML), Megha Technical & Engineers Private Limited (MTEPL), Meghalaya Power Limited (MPL) and NE Hills Hydro Limited (NHHL) are annexed in the Form AOC – 1 and marked as Annexure-5.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company have been prepared as per Accounting Standards- AS 21, as prescribed by the Institute of Chartered Accountants of India and has been included as a part of this Annual Report.

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

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.

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.

RISK MANAGEMENT

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

COMMITTEES OF THE BOARD

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

a. Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process. During the year the Audit Committee was reconstituted as per the requirements of Section 177 (2) of the Companies Act, 2013.

The Composition of the Committee is as mentioned below:

Sl. No.	Name of the Director	Category	Chairman/ Members
1.	Mr. Mangilal Jain	Independent	Chairman
2.	Mr. Manindra Nath Banerjee	Independent	Member
3.	Mr. Sajjan Bhajanka	Non-Independent	Member

During the year, the Committee met on 17th May, 2014, 7th July, 2014, 15th October, 2014, 13th January, 2015.

• Vigil mechanism

Pursuant to the requirement of the Act, the Company has established vigil mechanism. The Board has framed a Vigil Mechanism Policy of the Company. A Vigil (Whistle Blower) mechanism provides a channel 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 victimisation of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

b. Nomination & Remuneration Committee

The Board of company has also constituted a Committee for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management staff. The Committee was reconstituted during the year under review as per the requirements of Section 178(1) of the Companies Act, 2013 with the following members:

Sl. No.	Name	Category	Chairman/ Members
1.	Mr. Mangilal Jain	Independent	Chairman
2.	Mr. Manindra Nath Banerjee	Independent	Member
3.	Mr. Brij Bhushan Agarwal	Non-Independent	Member

During the year, the Committee met on 6th July, 2014, 18th September, 2014 and 25th March, 2015.

a. Corporate Social Responsibility Committee

During the year under review the Company has constituted

Corporate Social Responsibility Committee as per the requirements of Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Sanjay Agarwal, Director of your Company and consists of members as stated below:



Sl. No.	Name of the Director	Category	Chairman/ Members
1.	Mr. Sanjay Agarwal	Non-Independent	Chairman
2.	Mr. Brij Bhushan Agarwal	Non-Independent	Member
3.	Mr. Mangilal Jain	Independent	Member

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The core of achieving business excellence lies in a committed, talented and focused workforce. People are the foremost stakeholders and are considered the building blocks of an organisation. For achievement of business objectives, it is imperative to have a dedicated and talented pool of people.

The Company has always provided a congenial atmosphere for work to all sections of society. It has provided equal opportunities of employment to all irrespective to their caste, religion, colour, marital status and sex. The Company believes that human capital of the Company is its most valuable assets and its human resource policies are aligned towards this objective of the Company.

The Company adopts latest techniques in evaluating the potential and training needs of the employees at all levels. Designing of tailor-made training programs that fill the knowledge/skill gap and imparting in-house training in addition to utilising external programs are significant functions of HR Department of the Company.

During the year under report, your Company completed 10 successful years since it commenced its commercial operations. Your Company recognised the association of all those employees who have completed ten successful years with your Company in a function held at all factories and offices of the Company.

PARTICULARS OF EMPLOYEES

The information required under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

in respect of the employees of the Company is as mentioned below:

Name	Mr. Sanjay Kumar Gupta
Remuneration (Gross)	₹73,72,000/-
Designation & Nature of Employment	Chief Executive Officer*
Qualification and total experience	Chartered Accountant
Date of commencement of employment	10.03.2003
Total experience	22 years
Age	45 years
Last employment	Vinaya Cement Ltd.

*Designated as Chief Executive Officer w.e.f. 26.03.2015.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their departments and the 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. Last but not least, your Directors express their gratitude to the shareholders of the Company for reposing their confidence and faith in the Management of the Company.

For and on behalf of the Board of Directors

SAJJAN BHAJANKA
Chairman

(DIN: 00246043)

Place: Kolkata
Date: 28th April, 2015

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U26942ML2001PLC006663
Registration Date	Company incorporated on 2nd November, 2001
Name of the Company	Cement Manufacturing Company Limited
Category / Sub-Category of the Company	Company limited by Shares
Address of the Registered Office and contact details	Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 278215
Whether listed company	No
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Maheshwari Datamatics Private Limited 6, Mangoe Lane (Surendra Mohan Ghosh Lane), 2nd Floor, Kolkata – 700 001 Phone: 033 2248 2248

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
Cement	23941	98.15
Clinker	23941	1.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
Star Ferro and Cement Ltd.	L27310ML2011PLC008564	Holding	70.48	2(46)
Star Cement Meghalaya Ltd.	U63090ML2005PLC008011	Subsidiary	87.49	2(87)
Megha Technical & Engineers Private Ltd.	U27107ML2002PTC006976	Wholly owned Subsidiary	100.00	2(87)
Meghalaya Power Ltd.	U40108ML2002PLC006921	Subsidiary	51.00	2(87)
NE Hills Hydro Ltd.	U40104WB2007PLC116195	Wholly owned Subsidiary	100.00	2(87)



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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	12363892	-	12363892	29.50	11736311	-	11736311	28.00	(1.50)
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	29547500	-	29547500	70.48	29547500	-	29547500	70.48	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	41911392	-	41911392	99.98	41283811	-	41283811	98.48	(1.50)
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	41911392	-	41911392	99.98	41283811	-	41283811	98.48	(1.50)
B. Public Shareholding									
1. Institutions:									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 Lac	-	10000	10000	0.02	-	10000	10000	0.02	-
(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lac	-	-	-	-	627581	-	627581	1.50	1.50
(c) Others (specify)									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B) (2):-	-	10000	10000	0.02	627581	10000	637581	1.52	1.50
Total Public Shareholding (B)=(B)(1)+(B) (2)	-	10000	10000	0.02	627581	10000	637581	1.52	1.50
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	41911392	10000	41921392	100.00	41911392	10000	41921392	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change 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 Ferro and Cement Ltd	29547500	70.48	-	29547500	70.48	-	-
2.	Sajjan Bhajanka	3562500	8.50	-	3657292	8.72	-	0.22
3.	Rajendra Chamaria	3163742	7.55	-	2756514	6.58	-	(0.97)
4.	Rahul Chamaria	620000	1.48	-	592500	1.41	-	(0.07)
5.	Sachin Chamaria	600000	1.43	-	572500	1.37	-	(0.06)
6.	Kamakhya Chamaria	864975	2.06	-	864975	2.06	-	-
7.	Prahlad Rai Chamaria	911000	2.18	-	911000	2.18	-	-
8.	Laxmi Chamaria	428000	1.02	-	428000	1.02	-	-
9.	Ratna Chamaira	335975	0.80	-	335975	0.80	-	-
10.	Amritansh Chamaria	320000	0.76	-	320000	0.76	-	-
11.	Kailash Prasad Chamaria	660225	1.57	-	597225	1.42	-	(0.15)
12.	Gayatri Chamaria	320000	0.76	-	257000	0.61	-	(0.15)
13.	Amit Agarwal	137500	0.33	-	137500	0.33	-	-
14.	Sanjay Agarwal	-	-	-	94791	0.23	-	0.23
15.	Renu Chamaria	326975	0.78	-	76975	0.18	-	(0.60)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change 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	
16.	Vinay Chamaria	42500	0.10	-	42500	0.10	-	-
17.	Jagdish Prasad Shah	28000	0.07	-	28000	0.07	-	-
20.	Rishi Raj Shah	22500	0.06	-	22500	0.06	-	-
21.	Uma Maskara	20000	0.05	-	20000	0.05	-	-
22.	Rajesh Kumar Agarwal	-	-	-	11066	0.03	-	0.03
23.	Hari Prasad Agarwal	-	-	-	9998	0.02	-	0.02
	Total	41911392	99.98	-	41283811	98.48	-	(1.50)

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	41911392	99.98		
	Date wise increase/decrease in Promoters shareholding during the year –				
	27.02.2015 Transfer	-838228	-2.00	41073164	97.98
	27.02.2015 Transfer	210647	0.50	41283811	98.48
	At the end of the year			41283811	98.48

(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	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Subham Agarwal				
	At the beginning of the year	-	-		
	Changes during the year 27/02/2015 - Transfer	627581	1.50	627581	1.50
	At the End of the year			627581	1.50
2.	Mrs. Clara Suja				
	At the beginning of the year	10000	0.02	10000	0.02
	Changes during the year				NO CHANGE
	At the End of the year			10000	0.02



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

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Sajjan Bhajanka – Chairman & Managing Director				
	At the beginning of the year	3562500	8.50		
	Changes during the year	94792	0.22	3657292	8.72
	At the end of the year			3657292	8.72
2.	Mr. Rajendra Chamaria – Vice-Chairman & Managing Director				
	At the beginning of the year	3163742	7.55		
	Changes during the year	(407228)	(0.97)	2756514	6.58
	At the end of the year			2756514	6.58
3.	Mr. Sanjay Agarwal - Managing Director				
	At the beginning of the year	-	-		
	Changes during the year	94791	0.23	94791	0.23
	At the end of the year			94791	0.23

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31,047.76	10,708.00	-	41,755.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.19	-	-	0.19
Total (i+ii+iii)	31,047.95	10,708.00	-	41,755.95
Change in Indebtedness during the financial year				
• Addition	-	4,300.00	-	4,300.00
• Reduction	953.56	-	-	953.56
Net Change	953.56	4,300.00	-	3,346.44
Indebtedness at the end of the financial year				
i) Principal Amount	30,094.31	15,008.00	-	45,102.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.08	-	-	0.08
Total (i+ii+iii)	30,094.39	15,008.00	-	45,102.39

*Trade deposits have not been included

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total (₹ Lacs)
		Rajendra Chamaria	Sajjan Bhajanka	Sanjay Agarwal	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	48.00	48.00	48.00	144.00
	(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	-	-	-	-
	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total (A)	48.00	48.00	48.00	144.00
	Ceiling as per the Act	60.00	60.00	60.00	180.00

B. Remuneration to other Directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Mangilal Jain	Mr. M. N. Banerjee	
1.	Independent Directors			
	• Fee for attending board / committee meetings	0.32	0.22	0.54
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	0.32	0.22	0.54
2.	Other Non-Executive Directors			
	• Fee for attending board /committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	0.05
	Total (B)=(1+2)	0.32	0.22	0.54
	Total Managerial Remuneration	0.32	0.22	0.54
	Overall Ceiling as per the Act	the overall ceiling limit for the sitting fees payable to the Non- Executive directors is Rs. 100,000 per Board / Committee meeting.		



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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sanjay Kr. Gupta Chief Executive Officer	Mr. Dilip Kr. Agarwal Chief Financial Officer*	Mr. Manoj Agarwal Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	73.72	-	36.85	110.57
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	73.72	-	36.85	110.57

* Mr. Dilip Kr. Agarwal, Chief Financial Officer draws salary from its Holding Company, Star Ferro and Cement Ltd.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY					
Penalty			NONE		
Punishment					
Compounding					
DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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,
Cement Manufacturing Company Limited

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

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 the 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, 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) 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; (Not applicable to the Company during the Audit Period)
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI: (Not applicable to the Company during the Audit Period)
- vi) As identified by the Management, no laws/acts are specifically applicable to the Company.

The Compliance with Secretarial Standards was not examined as they were not notified and hence were not applicable to the Company during the audit period.

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

I 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.

I further report that subject to our observation above 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.

I further report that during the audit period the Company has passed following special resolutions which authorise the Board to exercise powers in relation thereto, but presently do not have any major bearing on the Company's affairs:

- (i) Increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013.
- (ii) Sell, lease or dispose of whole or substantially the whole of the undertaking of the Company under Section 180(1) (a) of the Companies Act 2013.

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

For MKB & Associates
Company Secretaries

Manoj Kumar Banthia
[Proprietor]
ACS No. 11470
COP No. 7596

Date: 28th April, 2015
Place: Kolkata

Annexure – 1

To

The Members,
Cement Manufacturing Company Limited

My 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. My responsibility is to express an opinion on those records based on our audit.
2. I 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 I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

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

Manoj Kumar Banthia
[Proprietor]
ACS No. 11470
COP No. 7596

Date: 28th April, 2015
Place: Kolkata



FORM AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : During the year under review, the contracts or arrangements with related party were done at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis :

Name of Related party	Nature of relationship	Duration of contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (₹ In Lacs)
Purchase of goods and services				
Meghalaya Power Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	2,832.42
Megha Technical & Engineers Private Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	1.37
Star Cement Meghalaya Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	32,617.30
Century Plyboards (I) Limited	Associate	Short term	Based on transfer pricing guidelines	2.40
Shyam Century Ferrous Limited	Associate	Short term	Based on transfer pricing guidelines	16.36
Sale of goods and services				
Megha Technical & Engineers Private Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	2,292.02
Star Cement Meghalaya Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	11.45
Meghalaya Power Limited	Subsidiary	Ongoing	Based on transfer pricing guidelines	21.61
Century Plyboards (I) Limited	Associate	Short Term	Based on transfer pricing guidelines	6.79

Note: The long term contracts entered into by the Company were ratified in the Board Meeting and Advances paid have been adjusted against billings, wherever applicable.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

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

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

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

2. The composition of the CSR Committee

- Mr. Sanjay Agarwal - Chairman
- Mr. Brij Bhushan Agarwal - Non-Executive Director
- Mr. Mangilal Jain - Independent Director

3. Average Net Profit of the Company for last 3 financial years : ₹1864.88 lacs

4. Prescribed CSR expenditure (2% of amount) : ₹37.30 lacs

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

a) Total amount spent for the financial year: ₹40.00 Lacs

b) Amount un-spent, if any: NIL

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

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programmes 1.Local area/others- 2.Specify the state /district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
1.	Education	Literacy	One Teacher School	37.30	40.00	40.00	40.00

*Details of implementing Agency : Friends of Tribal Society

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

Place: Kolkata
Date: 28.04.2015

Sanjay Kumar Gupta
Chief Executive Officer

Sanjay Agarwal
Chairman – CSR Committee



FORM AOC -1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ in lacs)

Sl. No.	Name of the subsidiary	Megha Technical & Engineers Pvt Ltd	Star Cement Meghalaya Ltd	Meghalaya Power Ltd	NE Hills Hydro Ltd
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A
3	Share capital	2,734.64	2,981.78	1,713.06	7.00
4	Reserves & surplus	21,137.40	36,235.10	8,081.47	-
5	Total Assets	27,525.10	80,569.72	28,921.13	7.12
6	Total Liabilities	27,525.10	80,569.72	28,921.13	7.12
7	Investments	2,983.33	-	-	2.70
8	Turnover	19,691.78	49,067.72	10,334.13	-
9	Profit before taxation	1,902.67	4,912.38	1,287.39	-
10	Provision for taxation	7.97	152.19	(742.73)	-
11	Profit after taxation	1,910.64	5,064.58	544.66	-
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100.00	87.49	51.00	100.00

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations : NE Hills Hydro Limited
- Names of subsidiaries which have been liquidated or sold during the year : N.A

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates / Joint Ventures	
1	Latest audited Balance Sheet Date	NA
2	Shares of Associate / Joint Ventures held by the Company on the year end:	NA
	Number	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	NA
4	Reason why the associate/joint venture is not consolidated	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	NA
6	Profit / Loss for the year	NA
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

The following information shall be furnished:-

- Names of associates or joint ventures which are yet to commence operations : N.A
- Names of associates or joint ventures which have been liquidated or sold during the year : N.A

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28th April, 2015

Dilip Kumar Agarwal
Chief Financial Officer

Sajjan Bhajanka
Chairman & Managing Director
(DIN: 00246043)

Manoj Agarwal
Company Secretary

Rajendra Chamaria
Vice-Chairman & Managing Director
(DIN: 00246171)



Financial Section

Independent Auditors' Report

To
The Members of
CEMENT MANUFACTURING COMPANY LIMITED

Report on the Financial Statement

We have audited the accompanying standalone financial statements of Cement Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2015;
- (ii) in the case of the Statement of Profit and Loss account, of the Profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") as amended, issued by the Central Government of India in terms of sub-section (11) Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.



2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of sub-section (2) of section 164 of the Act;
 - f) 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 its pending litigations on its financial position in its financial statements – Refer Note 2.30 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

Place: Kolkata
Date: 28th April, 2015

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Annexure referred to in Paragraph (1) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets of the Company are physically verified by 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 fixed assets. No material discrepancies were noticed on such verification.
2. (a) 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.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of Inventory as compared to book records
3. The Company has not granted any unsecured loan to company covered in the register maintained u/s 189 of the Companies Act, 2013. So the provisions of paragraph 3(iii) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in these internal controls.
5. On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
6. We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. 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.
- 7 (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues applicable to it. There are no undisputed amount payable in respect of Income tax and other applicable Statutory dues which were in arrears as at 31.03.2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of disputed taxes and duties as at March 31, 2015 which have not been deposited, are asunder.

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	19.97	2004-05, 2005-06 & 2006-07	CESTAT
The Central Excise Act, 1944	Excise Duty	72.92	2005-06 & 2006-07	CESTAT
The Central Excise Act, 1944	Excise Duty	185.22	Aug'09 to March'12	Commissioner, Central Excise Shillong.
The Central Excise Act, 1944	Excise Duty/ Service Tax	28.54	2009-10 to 2013-14	Joint Commissioner, Central Excise Shillong
The Income Tax Act, 1961	Income tax	968.33	2011-12	Commissioner of Income Tax(Appeal)
Total		1,274.98		



- (c) According to the information & explanation give to us, there is no such amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
8. The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.
10. In our opinion and on the basis of information and explanations given to us, the terms and condition of guarantee given by the Company for loans taken from banks by its two subsidiaries, are not prima-facie prejudicial to the interests of the Company.
11. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Balance Sheet as at 31st March, 2015

(₹ in Lacs)

	Note	31.03.15	31.03.14
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	47,376.19	46,797.82
		51,568.33	50,989.96
Non-current liabilities			
Long Term Borrowings	2.3	23,177.14	26,299.47
Deferred Tax Liabilities (Net)	2.4	-	102.44
Other Long Term Liabilities	2.5	6,219.12	4,156.76
Long Term Provisions	2.6	150.76	104.04
		29,547.01	30,662.70
Current liabilities			
Short Term Borrowings	2.7	15,874.60	9,957.64
Trade Payables		10,182.00	6,659.17
Other Current Liabilities	2.8	14,419.93	12,717.52
Short Term Provisions	2.9	4,084.05	17.02
		44,560.59	29,351.36
Total		1,25,675.93	1,11,004.02
ASSETS			
Non-current Assets			
Fixed Assets			
-Tangible Assets	2.10	30,845.29	37,502.60
-Intangible Assets	2.10	12.84	25.06
-Capital Work in Progress		2,151.88	1,692.99
		33,010.01	39,220.65
Non Current Investments	2.11	23,878.43	23,878.43
Long Term Loans and Advances	2.12	16,919.12	16,554.73
Other non- Current assets	2.13	5.99	11.52
		73,813.55	79,665.33
Current Assets			
Inventories	2.14	5,246.48	7,068.15
Trade Receivables	2.15	22,720.68	9,901.96
Cash and Cash equivalents	2.16	1,197.87	615.43
Short Term Loans and Advances	2.17	22,697.35	13,753.16
		51,862.38	31,338.70
Total		1,25,675.93	1,11,004.02
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Dilip Kr. Agarwal
Chief Financial Officer

Manoj Agarwal
Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171



Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lacs)

	Note	2014-15	2013-14
Income			
Revenue from Operations (Gross)	2.18	1,17,759.95	75,825.82
Less: Excise Duty		(6,398.07)	(2,282.51)
Revenue from Operations (Net)		1,11,361.87	73,543.31
Other Income	2.19	46.64	132.06
Total Revenue		1,11,408.52	73,675.38
Expenses			
Cost of Materials consumed	2.20	38,692.32	29,941.03
Purchase of Traded Goods		4,647.96	-
(Increase)/Decrease in Inventories	2.21	751.59	(1,676.60)
Employee Benefit Expenses	2.22	5,087.39	4,426.67
Finance Costs	2.23	4,452.40	3,486.25
Depreciation and Amortization Expenses		8,645.70	4,531.79
Other Expenses	2.24	44,629.65	34,388.35
Total Expenses		1,06,907.01	75,097.50
Profit/(loss) before exceptional and extraordinary items and tax		4,501.51	(1,422.12)
Exceptional items		(1.31)	(108.11)
Profit/(loss) before tax		4,500.19	(1,530.23)
Tax Expenses			
- Current Tax		953.27	-
Less: MAT Credit entitlement		(953.27)	-
- Net Current Tax		-	-
- Deferred Tax		102.44	(39.15)
Profit/(loss) for the year		4,602.63	(1,569.38)
Earnings Per Equity Share (Face Value of ₹10/- each)			
Basic Earning Per Share		10.98	(3.74)
Diluted Earning Per Share		10.98	(3.74)
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

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Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171

Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

	2014-15	2013-14
A Cash flow from operating activities		
Net Profit/(Loss) before Tax	4,500.19	(1,530.23)
Adjustments for:		
Depreciation	8,645.70	4,531.79
Unrealised Foreign Exchange Gain /(Loss)- Net	(40.00)	(70.76)
(Profit)/ Loss on Sale of Fixed Assets	22.92	(9.93)
Interest Income	(25.80)	(117.94)
Finance Costs	4,452.40	3,486.25
Provision for Income Tax & Wealth Tax	1.57	1.42
Provision for Bad and Doubtful Debts (Net of adjustments)	1.43	3.86
Operating Profit before working Capital changes	17,558.42	6,294.46
Adjustments for:		
(Increase)/Decrease in Trade receivables	(12,820.15)	(7,990.00)
(Increase)/Decrease in Inventories	1,821.67	(1,644.33)
(Increase)/Decrease in Loans & Advances and other assets	(9,973.59)	(9,309.97)
Increase /(Decrease) in Trade Payables, Other Liabilities and Provisions	6,823.59	10,467.31
Cash Generated from Operations	3,409.93	(2,182.53)
Direct Taxes Paid	665.00	-
Net Cashflow from Operating Activities	4,074.93	(2,182.53)
B Cash flow from Investing Activities		
(Purchase)/sale of Fixed Assets (including WIP)- Net*	(2,322.14)	(5,057.84)
Fixed Deposits/Margin Money Given/(Repaid)	185.40	(214.85)
(Purchase)/ sale of Investments	-	(1.00)
Interest Received	25.80	117.94
Net Cash used in Investing Activities	(2,110.94)	(5,155.75)
C Cash Flow from Financing Activities		
Interest paid	(4,452.40)	(3,486.25)
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities**	(2,666.25)	5,570.03
Proceeds from /(Repayment of) Short Term Borrowings	5,916.96	5,402.30
Dividend Paid	-	(1,048.03)
Corporate Dividend Tax Paid	-	(178.11)
Net Cash used in Financing Activities	(1,201.69)	6,259.93
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	762.30	(1,078.35)
Cash and Cash Equivalents		
Opening Balance	379.09	1,457.44
Closing Balance	1,141.40	379.09

*Excluding notional foreign exchange loss of ₹135.84 Lacs, PY ₹128.90 Lacs capitalized /reduced in accordance with para 46A of AS-11

** Represents Cash and Bank Balances as indicated in Note-2.16, and excludes ₹56.47 Lacs (₹236.34 Lacs) being Bank Balances with restrictive use and maturity of more than three months.

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Dilip Kr. Agarwal
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Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamarla
Vice-Chairman & Managing Director
DIN:00246171



Notes to Financial Statements

Corporate Information

Cement Manufacturing Company Limited (the Company) is a public limited company domiciled in India and incorporated on 2nd November, 2001 under the provisions of Companies Act, 1956. The Company is engaged in the manufacturing and selling of Cement Clinker & Cement. The manufacturing units are located at Lumshnong, Meghalaya and Guwahati, Assam. The Company is selling its product across north eastern and eastern states of India.

1. Significant Accounting Policies

1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

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

1.2 Use of Estimates

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

1.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. 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 fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Railway sidings the ownership of which vest with the Railway authorities are depreciated over ten years.

1.4 Capital Work In Progress

Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

1.5 Expenditure during construction period

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

1.6 Depreciation

Depreciation on Fixed Assets 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 on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable capital assets. 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.

1.7 Investments

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

Notes to Financial Statements *(contd.)*

1.8 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work in progress and finished goods are valued at lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.9 Retirement Benefits:

(i) 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 of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

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

(iii) Other Long-term benefits

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

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

1.10 Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

1.11 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss 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.

1.12 Foreign Currency Transactions and Balances

Transactions in foreign currencies entered into by the Company are accounted at the exchanges 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. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

1.13 Taxes on Income

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



Notes to Financial Statements *(contd.)*

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961. Deferred tax assets / liabilities are reviewed at each Balance Sheet date based on developments during the year to reassess realization / liabilities.

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each reporting date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.14 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.

1.15 Research and Development Expenditure

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

1.16 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. 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 neither recognized nor disclosed in the financial statements.

1.17 Cash & Cash Equivalents

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

1.18 Earnings Per Share

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

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

1.19 Revenue Recognition

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty and are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

1.20 Government Grants and Subsidies

Government grants / subsidies are recognized 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 Profit and Loss Account as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

Notes to Financial Statements *(contd.)*

2.1 - Share Capital

(₹ in Lacs)

	31.03.15	31.03.14
Authorised Capital		
6,00,00,000 (6,00,00,000 as at 31.03.14) Equity Shares of ₹10/- each fully paid	6,000.00	6,000.00
Issued, Subscribed & fully paid-up shares		
4,19,21,392 (4,19,21,392 as at 31.03.14) Equity Shares of ₹10/- each fully paid	4,192.14	4,192.14

a Terms/Rights attached to equity shares

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

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

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

Equity Shares	31.03.15 No. of Shares	31.03.14 No. of Shares
At the beginning of the year	41921392	41921392
Issued during the year	-	-
Outstanding at the end of the year	41921392	41921392

c Shares held by Holding Company

	31.03.15 No. of Shares	31.03.14 No. of Shares
Star Ferro and Cement Limited	29547500	29547500

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

Name of the Shareholders	31.03.15 No. of Shares % of holding	31.03.14 No. of Shares % of holding
Star Ferro and Cement Limited	29547500 70.48%	29547500 70.48%
Sajjan Bhajanka	3657292 8.72%	3562500 8.50%
Rajendra Chamaria	2756514 6.58%	3163742 7.55%

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.



Notes to Financial Statements (contd.)

2.2 - Reserves & Surplus

(₹ in Lacs)

	31.03.15	31.03.14
Capital Reserve		
Balance as per last Account	6,719.90	6,719.90
Addition/(Deduction) during the year	-	-
	6,719.90	6,719.90
General Reserve		
Balance as per last Account	3,820.00	3,700.00
Addition/(Deduction) during the year	-	120.00
	3,820.00	3,820.00
Surplus as per Profit & Loss Account		
Balance as per last Account	36,257.92	39,173.45
Profit /(loss) for the year	4,602.63	(1,569.38)
Amount available for appropriation	40,860.54	37,604.06
Less: Appropriations		
Transfer to General Reserve	-	(120.00)
Proposed Dividend	(3,353.71)	-
Corporate Dividend Tax	(670.55)	-
Interim Dividend Paid	-	(1,048.03)
Corporate Dividend Tax	-	(178.11)
Total Appropriations	(4,024.26)	(1,346.15)
Net Surplus in the statement of profit and loss	36,836.29	36,257.92
Total Reserves and Surplus	47,376.19	46,797.82

2.3 - Long Term Borrowings

(₹ in Lacs)

	31.03.15	31.03.14
Term Loans		
Rupee Loans from Banks (Secured)	13,778.03	18,382.01
Foreign Currency Loan from a Bank (Secured)	3,414.10	4,154.73
Loans and Advances from Related Party (Unsecured)		
- From a subsidiary	8,708.00	9,208.00
- From a Director	3,300.00	-
Other Loans & Advances		
- Hire Purchase Finance from Banks (Secured)	27.58	53.38
	29,227.71	31,798.11
Less: Current Maturities of long term borrowings	(6,050.56)	(5,498.64)
	23,177.14	26,299.47

- Rupee Term Loan of ₹3,935.58 Lacs from a Bank is repayable in further 9 equal quarterly instalments ending on June 2017. The Loan is secured by pari passu first charge on current assets and first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.
- Rupee Term Loans of ₹9,842.45 Lacs and Foreign Currency Loan of ₹3,414.10 Lacs from Banks are repayable in further 19 unequal quarterly instalments ending on December 2019. The loans are secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the Company's cement grinding unit at Guwahati, Assam.
- The term loans are also secured by personal guarantees of some of the Directors of the Company.
- Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable within two years having varying date of payment.
- The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

Notes to Financial Statements *(contd.)*

2.4 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

	31.03.15	31.03.14
Deferred Tax liability		
-Fixed assets	-	134.32
Gross deferred tax liability	-	134.32
Deferred Tax Assets		
-Gratuity & Leave encashment	-	2.29
-Trade receivable	-	29.59
- Fixed Assets	-	-
Gross deferred tax asset	-	31.89
Net Deferred Tax (Assets)/Liability	-	102.44

Note: Deferred Tax Assets is not recognized in respect of timing difference of depreciation and expenditures allowable on payment basis for tax purpose, considering the principle of prudence. However, the position will be reviewed every year.

2.5 - Other Long Term Liabilities

(₹ in Lacs)

	31.03.15	31.03.14
-Security Deposit	5,922.69	3,939.99
-Retention Money	296.42	216.77
	6,219.12	4,156.76

2.6 - Long Term Provisions

(₹ in Lacs)

	31.03.15	31.03.14
Provisions for employee benefits		
- Leave Encashment	99.53	58.11
- Gratuity	51.23	45.93
	150.76	104.04

2.7 - Short Term Borrowings

(₹ in Lacs)

	31.03.15	31.03.14
Working Capital facilities from Banks		
- Cash Credit (Secured)	9,745.06	5,452.65
- Foreign Currency Demand Loan (Secured)	3,129.54	3,004.99
	12,874.60	8,457.64
Short Term Loan		
- From a Bank (Unsecured)	3,000.00	1,500.00
	15,874.60	9,957.64



Notes to Financial Statements (contd.)

2.7 - Short Term Borrowings (contd.)

a. The above amount includes

	(₹ in Lacs)	
	31.03.15	31.03.14
Secured borrowings	12,874.60	8,457.64
Unsecured borrowings	3,000.00	1,500.00

- b. Working Capital facilities of ₹4,030.83 Lacs from Banks are secured by first pari passu charge on current assets of Lumshnong unit and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.
- c. Working capital facilities of ₹8,843.74 Lacs from Banks are secured by pari passu first charge on current assets and pari passu second charge on fixed assets of the Company's cement grinding unit at Guwahati, Assam.
- d. The Working capital facilities have been guaranteed by some of the Directors of the Company.
- e. Short term loan from a Bank is due for repayment on June, 2015.

2.8 - Other Current Liabilities

	(₹ in Lacs)	
	31.03.15	31.03.14
Current Maturities of long term borrowings	6,050.56	5,498.64
Interest accrued but not due on borrowings	0.08	0.19
Other Payables		
-Statutory Liabilities (including excise duty on finished goods ₹38.96 Lacs, ₹152.56 Lacs as at 31.03.14)	858.50	1,357.08
-Creditors-Micro, Small & Medium Enterprises (refer note no. 2.26)	-	-
-Creditors for capital goods	176.42	136.81
-Advances from customer	1,077.78	706.59
-Salary and Bonus to employees	166.23	228.60
-Other Liabilities	6,090.34	4,789.60
	14,419.93	12,717.52

2.9 - Short Term Provisions

	(₹ in Lacs)	
	31.03.15	31.03.14
Provisions for Employee Benefits		
-Leave Encashment	23.94	9.38
-Gratuity	35.86	7.64
	59.80	17.02
Others		
-Proposed Dividend	3,353.71	-
-Corporate Dividend Tax	670.55	-
	4,024.26	-
	4,084.05	17.02

Notes to Financial Statements (contd.)

2.10 - Fixed Assets

(₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.14	Additions	Deduction / Adjustment	Total as on 31.03.15	Upto 31.03.14	For the year	Deduction / Adjustment	Total as on 31.03.15	As on 31.03.14	As on 31.03.15
TANGIBLE ASSETS										
A. Cement Plant at Lumshnong, Meghalaya										
Land & Site Development	1,988.33	17.44	-	2,005.76	-	-	-	-	2,005.76	1,988.33
Factory Building	4,217.65	36.79	-	4,254.44	2,123.60	196.66	-	2,320.26	1,934.18	2,094.05
Non Factory Building	2,188.61	35.04	-	2,223.65	532.12	428.92	-	961.04	1,262.61	1,656.48
Plant, Machinery & Equipment	13,849.95	41.74	5.60	13,886.09	8,534.29	1,176.77	3.57	9,707.48	4,178.61	5,315.66
Furniture & Fixtures	328.35	9.84	0.43	337.77	218.64	35.66	0.43	253.87	83.89	109.71
Office Equipment	325.45	7.91	12.93	320.43	153.39	125.71	2.54	276.56	43.87	172.06
Computers	320.63	10.14	-	330.77	263.36	40.26	-	303.63	27.14	57.27
Vehicles	1,013.79	42.67	38.37	1,018.08	663.51	98.30	32.45	729.37	288.71	350.27
Tools & Tackles	243.31	1.83	-	245.14	148.43	40.54	-	188.97	56.16	94.87
Total of Tangible Assets (A)	24,476.07	203.39	57.32	24,622.13	12,637.35	2,142.82	38.98	14,741.19	9,880.94	11,838.71
B. Cement Grinding Unit at Guwahati, Assam										
Land & Site Development	2,650.23	241.14	(1,239.26)	1,652.11	-	-	-	-	1,652.11	2,650.23
Factory Building	2,554.66	182.55	-	2,737.21	201.66	224.39	-	426.05	2,311.16	2,353.00
Non Factory Building	130.43	561.83	1,239.26	1,931.52	5.83	704.17	-	710.00	1,221.52	124.60
Plant, Machinery & Equipment	23,205.82	652.94	-	23,858.77	3,292.33	5,319.52	-	8,611.84	15,246.92	19,913.49
Furniture & Fixtures	168.83	41.76	-	210.58	73.23	30.54	-	103.77	106.82	95.60
Office Equipment	56.51	25.11	-	81.61	14.82	33.49	-	48.31	33.31	41.68
Computers	88.13	74.66	-	162.78	42.00	47.62	-	89.62	73.16	46.13
Vehicles	733.58	31.25	187.57	577.25	434.19	82.53	144.27	372.46	204.80	299.39
Tools & Tackles	219.91	16.75	-	236.65	80.15	41.95	-	122.10	114.55	139.76
Total - B	29,808.10	1,827.98	187.57	31,448.50	4,144.21	6,484.21	144.27	10,484.15	20,964.35	25,663.88
Total of Tangible Assets (A+B)	54,284.16	2,031.37	244.90	56,070.63	16,781.56	8,627.03	183.25	25,225.34	30,845.29	37,502.60
C. INTANGIBLE ASSETS										
Computer Software	113.42	6.46	0.16	119.72	88.36	18.68	0.16	106.88	12.84	25.06
Total Fixed Assets - (A + B +C)	54,397.59	2,037.82	244.90	56,190.35	16,869.93	8,645.70	183.41	25,332.23	30,858.13	37,527.66
Previous Year's figures	47,448.27	7,009.13	59.81	54,397.59	12,378.47	4,531.79	40.34	16,869.93	37,527.66	35,069.80

- a During the year Company has discarded fixed assets amounting to ₹1.01 Lacs, (Previous Year Nil) and sold fixed assets amounting to ₹243.89 Lacs, (Previous Year ₹59.81 Lacs.)
b. Cost of Internal Road amounting to ₹1,239.26 Lacs has been regrouped under Non-factory building which was considered under land and Site development in the previous year.



Notes to Financial Statements (contd.)

2.11 - Non Current Investments

(₹ in Lacs)

	31.03.15	31.03.14
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Investment in Subsidiaries		
Megha Technical & Engineers Private Limited	2,734.64	2,734.64
2,73,46,400 (2,73,36,400 as at 31.03.14) Equity Shares of ₹10/- each fully paid up		
Star Cement Meghalaya Limited	17,414.67	17,414.67
2,60,88,656 (2,60,88,656 as at 31.03.14) Equity Shares of ₹10 each fully paid up		
Meghalaya Power Limited		
87,36,620 (87,36,620 as at 31.03.14) Equity Share of ₹10 each fully paid up	3,568.31	3,568.31
NE Hills Hydro Limited		
70,000 (70,000 as at 31.03.14) Equity Share of ₹10 each fully paid up	7.00	7.00
Investment in Others		
Adonis Vyapaar Private Limited	32.32	32.32
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10 each fully paid up		
Apanapan Viniyog Private Limited	32.32	32.32
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10 each fully paid up		
Ara Suppliers Private Limited	32.32	32.32
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10 each fully paid up		
Arham Sales Private Limited		
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10 each fully paid up	32.32	32.32
Non Trade Investments (valued at cost unless stated otherwise)		
Investment in Quoted Equity Instruments		
Reliance Power Limited	24.54	24.54
8,743 (8,743 as at 31.03.14) Equity Shares of ₹10/- each fully paid up		
	23,878.43	23,878.43
Aggregate amount of Quoted investment (market Value ₹4.94 Lacs as on 31.03.15)	24.54	24.54
Aggregate amount of Unquoted investments	23,853.90	23,853.90

2.12 - Long Term Loans and Advances

(₹ in Lacs)

	31.03.15	31.03.14
Capital Advances		
Unsecured, Considered Good	2,327.03	2,703.37
	2,327.03	2,703.37
Security Deposits		
Unsecured, Considered Good	343.75	153.03
	343.75	153.03
Other Loans and Advances		
Unsecured, Considered Good		
-Subsidies Receivable from Central/State Governments	5,848.91	5,848.91
-Subsidies/Incentives Receivable from Central/State Governments	927.51	1,052.80
-Advance Income Tax (net of provision for taxation), including MAT Credit Entitlement	7,471.92	6,796.62
	14,248.33	13,698.33
	16,919.12	16,554.73

Notes to Financial Statements *(contd.)*

2.13 - Other Non Current Assets

(₹ in Lacs)

	31.03.15	31.03.14
Others		
Balance with banks held as margin money deposits with original maturity of more than 12 months	5.99	11.52
	5.99	11.52

2.14 - Inventories

(₹ in Lacs)

	31.03.15	31.03.14
Raw Materials [including in transit - ₹131.62 Lacs, As at 31.03.14 ₹168.45 Lacs]	772.78	1,161.98
Work - In - Process	9.67	23.55
Finished Goods [including in transit - ₹393.43 Lacs, As at 31.03.14 - ₹553.10 Lacs]	1,714.00	2,545.68
Stock in Trade [including in transit-₹13.92 Lacs, As at 31.03.14 - Nil]	93.97	-
Fuels, packing materials, etc.	715.38	1,268.58
Stores & Spares parts	1,940.68	2,068.36
	5,246.48	7,068.15

2.15 - Trade Receivables

(₹ in Lacs)

	31.03.15	31.03.14
Secured Considered Good		
Over Six months	117.63	61.55
Other debts	3,962.44	1,930.04
	4,080.08	1,991.59
Unsecured		
Over Six Months		
I Considered Good	224.58	68.82
Considered Doubtful	97.20	95.77
Less: Provision for Doubtful Debts	(97.20)	(95.77)
	224.58	68.82
II Claims due from Central Government - Considered Good	4,017.03	570.04
Other Debts		
I Considered Good	11,846.90	5,961.64
II Claims due from Central Government - Considered Good	2,552.10	1,309.87
	22,720.68	9,901.96

Note: Periodically, the Company evaluates realisability of all customer dues. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company normally provides for debtor dues outstanding for six months or longer from the invoice date, at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.



Notes to Financial Statements (contd.)

2.16 - Cash & Cash Equivalents

(₹ in Lacs)

	31.03.15	31.03.14
Cash on Hand	41.53	36.64
Cheques In Hand	437.36	269.88
Balance with Banks		
- In current accounts/cash credit accounts	650.87	72.57
- In Fixed Deposit accounts with original maturity of upto 3 months	11.64	-
Balance with Banks held as margin money deposits with original maturity of more than 3 months and upto 12 months	56.47	236.34
	1,197.87	615.43

2.17 - Short Term Loans and Advances

(₹ in Lacs)

	31.03.15	31.03.14
Loans and advances to related parties		
Unsecured, Considered Good		
- Advances Recoverable from an Associate	35.00	35.00
	35.00	35.00
Others		
Unsecured, Considered Good		
- Advances to suppliers	290.68	581.86
- Loan and advances to employees	64.85	42.17
- Balances with Statutory/Government authorities	3,677.98	3,262.28
- Subsidies /Incentives Receivable from Central/State Governments	15,874.83	7,749.75
- Advances for Services & Expenses	2,610.70	1,927.98
- Prepaid expenses	143.31	154.13
	22,662.35	13,718.16
	22,697.35	13,753.16

2.18 - Revenue from Operations

(₹ in Lacs)

	2014-15	2013-14
Sale of Products		
	1,17,438.08	75,505.57
Add: Captive Consumption	117.35	122.74
	1,17,555.43	75,628.31
Other Operating Income		
Shortage Recovery of Cement & Clinker	128.29	78.35
Royalty Income	6.40	7.91
Sale of Scrap	69.82	111.25
Revenue from operation (gross)	1,17,759.95	75,825.82

(₹ in Lacs)

	2014-15	2013-14
Details of Products Sold		
Cement	1,15,183.65	74,550.71
Gypsum	77.38	-
Clinker	2,177.06	954.86
	1,17,438.08	75,505.57

Notes to Financial Statements (contd.)

2.19 - Other Income

(₹ in Lacs)

	2014-15	2013-14
Interest Income on		
- Bank deposits	12.21	8.59
- others	13.59	109.36
Miscellaneous Income	20.85	14.12
	46.64	132.06

2.20 - Cost of Materials Consumed

(₹ in Lacs)

	2014-15	2013-14
Inventory at the beginning of the year	1,161.97	652.97
Add: Purchases	38,303.12	30,450.03
	39,465.10	31,103.01
Less: Inventory at the end of the year	772.78	1,161.98
Cost of Materials Consumed	38,692.32	29,941.03

(₹ in Lacs)

	2014-15	2013-14
Details of Raw materials Consumed		
Limestone	773.60	666.41
Shale	69.77	43.95
Iron Mill Scale	53.97	104.84
Gypsum	250.51	371.86
Fly ash	5,749.73	4,644.73
Clinker	31,775.09	24,077.53
Others	19.65	31.72
	38,692.32	29,941.03

2.21 - (Increase) /Decrease in Inventories

(₹ in Lacs)

	2014-15	2013-14
Work in Process		
Opening Stock	23.55	3.54
Closing Stock	9.67	23.55
	13.88	(20.01)
Finished Goods		
Opening Stock	2,545.68	889.09
Closing Stock	1,714.00	2,545.68
	831.67	(1,656.59)
Stock in Trade		
Opening Stock	-	-
Closing Stock	93.97	-
	(93.97)	-
(Increase) /Decrease	751.59	(1,676.60)

(₹ in Lacs)

	2014-15	2013-14
Details of Finished goods		
Cement	1,472.36	1,656.66
Clinker	241.64	889.01
	1,714.00	2,545.68



Notes to Financial Statements *(contd.)*

2.22 - Employee Benefit Expenses

(₹ in Lacs)

	2014-15	2013-14
Salaries & Wages	4,730.83	4,123.70
Contribution to Provident Fund and other funds	158.20	118.20
Welfare Expenses	198.35	184.77
	5,087.39	4,426.67

2.23 - Finance Costs

(₹ in Lacs)

	2014-15	2013-14
Interest Expense		
- On Fixed Loans	2,144.51	2,300.91
- On Other Loans	2,021.38	918.74
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	126.55	174.16
Other finance Costs	159.96	92.44
	4,452.40	3,486.25

2.24 - Other Expenses

(₹ in Lacs)

	2014-15	2013-14
Consumption of Stores & Spares	798.80	701.15
Packing Materials	3,428.16	2,395.57
Power & Fuel	7,573.75	7,079.95
Repairs & Maintenance		
- Building	249.43	325.01
- Plant & Machinery	321.06	539.68
- Others	158.87	141.49
Heavy Vehicle / Equipment Running Expenses	561.17	714.17
Excise duty variation on opening/closing stock	(87.02)	200.18
Travelling and Conveyance	663.56	470.77
Insurance (Net)	177.11	101.67
Rent, Rates & Taxes	1,093.18	794.16
Research & Development Expenses	38.38	50.28
Charity & Donation	83.75	139.90
Miscellaneous Expenses	1,086.95	1,043.93
Advertisement & Publicity	2,129.11	1,888.29
Outward Freight Charges (Net)	18,130.75	11,652.95
Sales Promotion Expenses	1,879.92	1,092.48
Commission, Discount & Incentives on Sale	6,342.72	5,056.73
	44629.65	34388.35

Notes to Financial Statements *(contd.)*

- 2.25** In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 2.26** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company.
- 2.27** The Company deals in only one Segment i.e. Cement and only in India. There is no separate reportable segment as required by Accounting Standard 17- 'Segment Reporting'. The Company mainly caters to the needs of the domestic market. As such there are no reportable geographical segments.
- 2.28** Against company's claim for refund of differential excise duty, Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety in line with the Interim Order dated 13th January, 2012 passed by Hon'ble Supreme Court in case of "VF Ltd and others". Based on the said judgment of the Hon'ble High Court in favour of the Company and legal opinion obtained by the Company, the differential excise duty refund of ₹385.28 Lacs (P.Y. ₹1818.29 Lacs) has been recognized as revenue in the book of accounts.

2.29 - Related party Disclosures

A	Names of the related parties where control exists	Nature of relationship
	Star Ferro and Cement Limited (SFCL)	Holding Company
	Megha Technical & Engineers Private Limited (MTEPL)	Subsidiary Company
	Star Cement Meghalaya Limited (SCML)	Subsidiary Company
	Meghalaya Power Limited (MPL)	Subsidiary Company
	NE Hills Hydro Limited (NEHL)	Subsidiary Company
B	Others-with whom transactions have taken place during the year	
I	Names of other related parties	Nature of relationship
	Century Plyboards (India) Limited (CPIL)	Associate
	Shyam Century Ferrous Limited (SCFL)	Associate
	Star India Cement Limited (SICL)	Associate
II	Key Management Personnel	
	Names of other related parties	Nature of relationship
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Bhajanka	Director
	Mr. Pankaj Kejriwal	Director
	Mr. Sanjay Kr. Gupta	CEO (Deputy CEO upto 25.03.15)
	Mr. Dilip Kr. Agarwal	CFO (w.e.f 20.09.14)
	Mr. Manoj Agarwal	Company Secretary
III	Relatives of Key Management Personnel	
	Names of the related parties	Nature of relationship
	Mrs. Renu Chamaria	Wife of Mr. Rajendra Chamaria
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria



Notes to Financial Statements (contd.)

2.29 - Related party Disclosures (contd.)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2015

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Purchase Transactions								
	SFCL	-	29.39	-	-	-	-	-	-
	SCFL	-	-	-	-	16.36	-	-	-
	MTEPL	-	-	1.37	44.67	-	-	-	-
	MPL	-	-	2,832.42	2,143.71	-	-	-	-
	SCML	-	-	32,609.26	23,634.69	-	-	-	-
	CPIL	-	-	-	-	2.40	21.29	-	-
2	Sale Transactions								
	SFCL	-	9.75	-	-	-	-	-	-
	MTEPL	-	-	2,284.86	684.50	-	-	-	-
	SCML	-	-	11.45	59.35	-	-	-	-
	MPL	-	-	21.61	17.93	-	-	-	-
	CPIL	-	-	-	-	6.79	11.16	-	-
3	Purchase of Capital Goods								
	MTEPL	-	-	-	43.23	-	-	-	-
	SCML	-	-	-	7.10	-	-	-	-
4	Sale of Capital Goods								
	SCML	-	-	-	5.79	-	-	-	-
5	Services Rendered								
	MTEPL	-	-	7.16	8.86	-	-	-	-
6	Services Received								
	SCML	-	-	8.04	1.98	-	-	-	-
7	Loan & advances Taken								
	MTEPL	-	-	-	8,101.00	-	-	-	-
	CPIL	-	-	-	-	-	2,400.00	-	-
8	Loan & advances repaid								
	MTEPL	-	-	500.00	706.00	-	-	-	-
	CPIL	-	-	-	-	-	2,400.00	-	-
9	Loans & advances Given								
	SFCL	-	360.00	-	-	-	-	-	-
10	Loans & advances Given-repaid								
	SFCL	-	360.00	-	-	-	-	-	-
	MPL	-	-	-	1,550.00	-	-	-	-
11	Dividend Paid								
	SFCL	-	738.69	-	-	-	-	-	-
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	-	89.06
	Mr. Rajendra Chamaria	-	-	-	-	-	-	-	79.09
	Mr. Rahul Chamaria	-	-	-	-	-	-	-	15.50
	Mr. Sachin Chamaria	-	-	-	-	-	-	-	15.00
	Mrs. Renu Chamaria	-	-	-	-	-	-	-	8.17
	Others	-	-	-	-	-	-	-	61.41

Notes to Financial Statements (contd.)

2.29 - Related party Disclosures (contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
12	Interest Paid								
	MTEPL	-	-	989.02	347.16	-	-	-	-
	CPIL	-	-	-	-	-	20.94	-	-
13	Interest received								
	SFCL	-	0.91	-	-	-	-	-	-
	MPL	-	-	-	96.25	-	-	-	-
14	Remuneration Paid								
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	48.00	48.00
	Mr. Rajendra Chamaria	-	-	-	-	-	-	48.00	48.00
	Mr. Sanjay Agarwal	-	-	-	-	-	-	48.00	48.00
	Mr. Pankaj Kejriwal	-	-	-	-	-	-	-	18.00
	Mr. Prem Bhajanka	-	-	-	-	-	-	-	28.00
	Mr. Sanjay Kumar Gupta	-	-	-	-	-	-	73.72	50.04
	Mr. Rahul Chamaria	-	-	-	-	-	-	30.00	30.00
	Mr. Sachin Chamaria	-	-	-	-	-	-	24.00	24.00
	Mr. Manoj Agarwal	-	-	-	-	-	-	36.85	22.50
15	Loans & advances taken								
	Mr. Prem Bhajanka	-	-	-	-	-	-	3300.00	-
16	Interest paid								
	Mr. Prem Bhajanka	-	-	-	-	-	-	48.42	-
17	Balance Outstanding as at 31.03.15								
	Advance from Customers								
	MTEPL	-	-	-	165.50	-	-	-	-
	Creditors								
	MPL	-	-	176.66	0.45	-	-	-	-
	SCML	-	-	4,008.48	3,945.69	-	-	-	-
	Loans (Given)								
	SICL	-	-	-	-	35.00	35.00	-	-
	Loans (Taken)								
	MTEPL	-	-	8,708.00	9,208.00	-	-	-	-
	Guarantees Obtained								
	Sajjan Bhajanka	-	-	-	-	-	-	37,692.13	38,136.74
	Rajendra Chamaria	-	-	-	-	-	-	37,692.13	38,136.74
	Sanjay Agarwal	-	-	-	-	-	-	37,692.13	38,136.74
	Guarantees Provided								
	MTEPL	-	-	2,500.00	4,350.00	-	-	-	-
	SCML	-	-	29,565.81	39,579.84	-	-	-	-
	Investments								
	MTEPL	-	-	2,734.64	2,734.64	-	-	-	-
	SCML	-	-	17,414.67	17,414.67	-	-	-	-
	MPL	-	-	3,568.31	3,568.31	-	-	-	-
	NE Hills Hydro	-	-	7.00	7.00	-	-	-	-



Notes to Financial Statements *(contd.)*

2.30 - Contingent Liabilities

(₹ in Lacs)

	31-03-15	31-03-14
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)	-	76.63
Claims against the Company not acknowledge as debts – Excise VAT/Income Tax matters/Royalty etc.	1,274.98	92.89
Guarantee provided to Banks against borrowings of subsidiaries	32,065.81	43,929.84
Other Guarantees	-	379.18
Bill of exchange discounted with Banks	386.73	-
Export obligations under EPCG scheme	17.62	17.62
Bank Guarantees issued by Banks	221.27	3,931.30
Letters of Credit issued by Bank	18.43	-
Solvent surety furnished to Excise Department against differential excise duty refund (Refer note no 2.28)	920.20	920.20

Note: Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in cases mentioned here-in-above and hence, no provision there against is considered necessary

2.31 - Borrowing Cost Capitalized

(₹ in Lacs)

	2014-15	2013-14
Borrowing Cost capitalized	-	436.44

2.32 - Payments to Auditors

(₹ in Lacs)

	31-03-15	31-03-14
As Auditor		
-Statutory Audit Fees	9.00	9.00
-Tax Audit Fees	2.00	2.00
In Other Capacity		
Certification Fees and other services.	9.53	3.25
Total	20.53	14.25

2.33 - Employee Defined Benefits

Defined Contribution Plans

- The Company has recognized an expense of ₹158.20 Lacs (Previous year – ₹118.20 Lacs) towards the defined contribution plans.
- The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarize the components of net benefit expenses recognized in statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity. Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by Company.

Notes to Financial Statements (contd.)

2.33 - Employee Defined Benefits (contd.)

(₹ in Lacs)

Types of Transactions	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I Expense recognized in the Statement of Profit and Loss				
1. Current Service Cost	37.14	40.77	25.20	18.23
2. Interest Cost	12.39	7.64	9.62	5.23
3. Employee Contribution	-	-	-	-
4. Expected Return on Plan Assets	(6.75)	-	(5.78)	-
5. Actuarial (Gains)/Losses	10.56	45.39	18.46	23.88
6. Past Service Cost	-	-	-	-
7. Settlement Cost	-	-	-	-
8. Losses/(gains) on acquisition/divesture	1.42	-	(5.33)	-
9. Total Expense	54.76	93.80	41.97	47.35
II Net Asset/(Liability) recognized in the Balance Sheet				
1. Present Value of Defined Benefit Obligation	183.92	123.47	125.86	67.49
2. Fair Value of Plan Assets	96.84	-	72.28	-
3. Funded Status [Surplus/(Deficit)]	(87.08)	(123.47)	(53.58)	(67.49)
4. Net Asset/ (Liability)	(87.08)	(123.47)	(53.58)	(67.49)
III Change in Obligation during the Year				
1. Present value of Defined Benefit Obligation at the beginning of the year	125.86	67.49	87.97	48.73
2. Current Service Cost	37.14	40.77	25.20	18.23
3. Interest Cost	12.39	7.64	9.62	5.23
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition/(settled on divesture)	-	-	-	-
8. Actuarial (Gains)/Losses	10.56	45.39	18.46	23.88
9. Benefits Payments	(2.02)	(37.81)	(15.39)	(28.59)
10. Present Value of Defined Benefit Obligation at the end of the year	183.92	123.47	125.86	67.49
IV Change in assets during the Year				
1. Plan Assets at the beginning of the year	72.28	-	56.18	-
2. Assets acquired on amalgamation in previous year	-	-	-	-
3. Settlements	-	-	-	-
4. Expected return on plan assets	6.75	-	5.78	-
5. Contributions by employer	20.66	37.81	20.19	28.59
6. Actual Benefit Paid	(2.02)	(37.81)	(15.39)	(28.59)
7. Actuarial Gains/(Losses)	(0.83)	-	5.53	-
8. Plan Assets at the end of the year	96.84	-	72.28	-
9. Actual Return on plan assets	5.92	-	11.31	-



Notes to Financial Statements (contd.)

2.33 - Employee Defined Benefits (contd.)

(₹ in Lacs)

Types of Transactions	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
V The major categories of plan assets as a percentage of the fair value of total plan assets				
1. Funded with insurer	100.00%	-	100.00%	-
VI The Principal actuarial assumptions are as follows:				
Discount rate	8.25%	8.00%	8.25%	8.25%
Expected Return on plan assets	9.00%	-	9.00%	-
Salary Increase	5.00%	5.00%	5.00%	5.00%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees			

2.34

The Company had exercised the option given in 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 use 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 31st March, 2015 is ₹136.64 Lacs, (PY ₹0.19 Lacs). The unamortized portion carried forward as at 31st March, 2015 is ₹482.42 Lacs, (as at 31.03.14 ₹456.53 Lacs).

2.35 - Earning Per Share (EPS)

(₹ in Lacs)

	31-03-15	31-03-14
Profit/(Loss) Attributable to Equity Shareholders	4,602.63	(1,569.38)
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS (Face Value of ₹10/-per share)	4,19,21,392	4,19,21,392
Weighted average number of equity shares outstanding for diluted EPS (Face Value of ₹10/-per share)	4,19,21,392	4,19,21,392
Basic Earnings Per Share (₹)	10.98	(3.74)
Diluted Earnings Per Share(₹)	10.98	(3.74)

2.36 - Donations to Political Parties

(₹ in Lacs)

	2014-15	2013-14
Bharatiya Janta Party	1.65	-

2.37

a) Value of imported and indigenous stores & spare parts consumed and their percentage to total consumption:

Types of Transactions	2014-15		2013-14	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Stores & Spares				
Imported	41.55	5.20	52.03	7.42
Indigenous	757.25	94.80	649.12	92.58
	798.80	100.00	701.15	100.00

Notes to Financial Statements *(contd.)*

b) Value of Export calculated on FOB basis

	(₹ in Lacs)	
	2014-15	2013-14
Cement	47.23	-

c) Expenditure incurred in foreign currency:

	(₹ in Lacs)	
	2014-15	2013-14
Interest	242.59	265.11
Stores, Spare parts and Components	41.56	23.03
Travelling Expenses	-	0.35
Others	17.68	-
Total	301.83	288.49

d) Unhedged Foreign Currency Exposure:

Types of Transactions	As on 31.03.15			As on 31.03.14		
	Foreign Currency	In Million	₹ in Lacs	Foreign Currency	In Million	₹ in Lacs
FCNRB Demand Loan	USD	5.00	3,129.54	USD	5.00	3,004.99
ECB	USD	5.45	3,414.10	USD	6.91	4,154.73

2.38 The Company has charged depreciation based on the remaining useful life of the assets as per the provisions and requirements of Schedule II to the Companies Act, 2013 effective from April 1, 2014. Had there not been any change in useful life of the Assets, depreciation for the year would have been lower by ₹3,878.45 Lacs and consequently profit before tax for the year would have been higher by ₹3,878.45 Lacs.

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

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April' 2015

Dilip Kr. Agarwal
Chief Financial Officer

Manoj Agarwal
Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171



Independent Auditors' Report on Consolidated Financial Statements

To
The Members of
CEMENT MANUFACTURING COMPANY LIMITED

We have audited the accompanying Consolidated Financial Statements of Cement Manufacturing Company Limited ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design and implementation and maintenance of internal control 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the other auditor on the consolidated financial statement of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March 2015;
- (ii) in the case of the Consolidated Statement of Profit and Loss account, of the Profit of the Company and Profit of its subsidiaries for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the Company and its subsidiaries for the year ended on that date.

Other Matters

We did not audit the financial statements of a subsidiary (NE Hills Hydro Limited), whose financial statements reflect total assets worth of ₹7.12 Lacs as at 31st March, 2015. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us, and our opinion is based solely on the report of the other auditor.

For Kailash B. Goel & Co.
Firm Registration No. 322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner

Place: Kolkata
Date: 28th April, 2015

Membership No. 57329

Consolidated Balance Sheet as at 31st March, 2015

(₹ in Lacs)

	Note	31.03.15	31.03.14
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	87,938.27	80,097.13
		92,130.41	84,289.27
Minority Interest			
		4,773.11	4,506.23
Non-current liabilities			
Long Term Borrowings	2.3	50,247.33	64,859.67
Deferred Tax Liabilities (Net)	2.4	866.08	369.42
Other Long Term Liabilities	2.5	8,362.35	7,281.79
Long Term Provisions	2.6	222.76	155.78
		59,698.51	72,666.65
Current liabilities			
Short Term Borrowings	2.7	18,928.83	17,000.14
Trade Payables		7,701.83	7,233.20
Other Current Liabilities	2.8	31,628.95	25,882.72
Short Term Provisions	2.9	4,108.30	30.75
		62,367.91	50,146.82
Total		2,18,969.94	2,11,608.97
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	2.10	1,02,781.92	1,14,232.38
- Intangible Assets	2.10	14.88	29.89
- Capital Work in Progress (including pre-operative expenses)		4,097.18	9,923.24
		1,06,893.98	1,24,185.52
Non Current Investments	2.11	152.86	152.86
Long Term Loans and Advances	2.12	39,675.30	36,997.58
Other non- Current assets	2.13	44.91	51.03
		1,46,767.06	1,61,386.98
Current Assets			
Inventories	2.14	10,914.48	15,547.04
Trade Receivables	2.15	30,980.39	12,501.29
Cash and Cash equivalents	2.16	2,030.85	1,141.25
Short Term Loans and Advances	2.17	28,277.17	21,032.41
		72,202.88	50,221.99
Total		2,18,969.94	2,11,608.97
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Dilip Kr. Agarwal
Chief Financial Officer

Manoj Agarwal
Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171



Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lacs)

	Note	2014-15	2013-14
Income			
Revenue from Operations (Gross)	2.18	1,47,312.78	1,02,933.86
Less: Excise Duty		(4,270.00)	(134.91)
Revenue from Operations (Net)		1,43,042.78	1,02,798.95
Other Income	2.19	78.13	262.00
Total Revenue		1,43,120.91	1,03,060.96
Expenses			
Cost of Materials consumed	2.20	16,791.04	16,611.15
Purchase of Traded Goods		4,971.92	-
(Increase)/Decrease in Inventories	2.21	1,192.42	(1,602.24)
Employee Benefit Expenses	2.22	9,076.29	7,340.92
Finance Costs	2.23	8,738.44	8,344.19
Depreciation and Amortization Expenses		22,374.29	15,683.18
Other Expenses	2.24	67,365.93	57,060.63
Total Expenses		1,30,510.33	1,03,437.83
Profit/(loss) before exceptional and extraordinary items and tax		12,610.58	(376.87)
Exceptional items		1.83	(102.39)
Profit /(loss) before tax		12,612.41	(479.26)
Tax expenses			
- Current Tax		2,640.09	87.87
Less: MAT Credit entitlement		(2,640.09)	-
- Net Current Tax		-	(87.87)
- MAT Credit Entitlement for earlier years		-	(26.61)
- Income Tax for earlier years		16.52	0.40
- Deferred Tax		(496.65)	247.62
Profit/(loss) for the year		12,132.28	(345.73)
- Minority Interest		(266.88)	(74.15)
Profit/(loss) for the year (After Minority Interest)		11,865.39	(419.88)
Earnings Per Equity Share (Face Value of ₹10/-each)			
Basic Earning Per Share		28.30	(1.00)
Diluted Earning Per Share		28.30	(1.00)
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Dilip Kr. Agarwal
Chief Financial Officer

Manoj Agarwal
Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171

Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

	2014-15	2013-14
A Cash flow from operating activities		
Net Profit/(Loss) before Tax and Exceptional Items	12,610.58	(376.87)
Adjustments for:		
Depreciation	22,374.29	15,683.18
Unrealised Foreign Exchange Gain / (Loss)- Net	(39.22)	(70.76)
Profit/ Loss on Sale of Fixed Assets- Net	-	(9.93)
Interest Income	(78.13)	(262.00)
Finance Cost	8,738.44	8,344.19
Provision for Wealth Tax	(1.82)	(1.61)
Provision for Bad and Doubtful Debts (Net of adjustments)	(5.10)	1.06
Operating Profit before Working Capital changes	43,599.04	23,307.25
Adjustments for:		
(Increase) /Decrease in Trade receivables	(18,474.00)	(4,229.01)
(Increase)/Decrease in Inventories	4,632.56	(3,370.60)
(Increase)/Decrease in Loans & Advances and other assets	(7,847.48)	(9,348.21)
Increase /(Decrease) in Trade Payables, Other Liabilities and Provisions	6,336.95	16,939.94
Cash Generated from Operations	28,247.07	23,299.38
Direct Taxes- Refund / (Paid) - Net	(2,075.00)	-
Net Cashflow from Operating Activities	26,172.07	23,299.38
B Cash flow from Investing Activities		
(Purchase)/sale of Fixed Assets (including Capital WIP)- Net*	(4,335.52)	(11,715.42)
Fixed Deposits/Margin Money Given/(Repaid)	186.60	(204.64)
Interest Received	78.13	262.00
Net Cash used in Investing Activities	(4,070.78)	(11,658.06)
C Cash Flow from Financing Activities		
Interest paid	(8,738.44)	(8,344.19)
Proceeds from issue of Share Capital (including Share Application Money)	-	-
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities*	(14,239.80)	(12,900.56)
Proceeds from /(Repayment of) Short Term Borrowings	1,928.68	9,477.51
Increase in Capital Reserve / Share capital	18.36	(217.54)
Dividend Paid	-	(1,048.03)
Corporate Dividend Tax Paid	-	(178.11)
-Capital Work in Progress (including pre-operative expenses)	(21,031.20)	(13,210.93)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	1,070.09	(1,569.61)
Cash and Cash Equivalents		
Opening Balance	904.28	2,473.89
Closing Balance	1,974.37	904.28

*Excluding notional foreign exchange loss of ₹747.24 Lacs capitalized /reduced in accordance with para 46A of AS-11

** Represents Cash and Bank Balances as indicated in Note-2.16, and excludes ₹56.47 Lacs (₹236.97 Lacs) being Bank Balances with restrictive use and maturity of more than three months.

As per our report of even date

For Kailash B. Goel & Co.
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place: Kolkata
Date: 28th April, 2015

Dilip Kr. Agarwal
Chief Financial Officer

Manoj Agarwal
Company Secretary

For & on behalf of Board of Directors

Sajjan Bhajanka
Chairman & Managing Director
DIN:00246043

Rajendra Chamaria
Vice-Chairman & Managing Director
DIN:00246171



Notes to Consolidated Financial Statements

Principles of Consolidation

- (a) In accordance with Accounting Standard 21 on “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India, the consolidated financial statements have been prepared on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the un-realized profits / losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- (b) The excess/shortfall of cost to the Company of its investments in the subsidiary companies, over the net assets at the time of acquisition in the subsidiaries as on the date of investment is recognised in the financial statements as goodwill/capital reserve as the case may be.
- (c) The subsidiary companies considered in the financial statements are as follows

Name	Country of Incorporation	% of Voting Power as on 31.03.2015
Megha Technical & Engineers Private Limited (MTEPL)	India	100.00
Star Cement Meghalaya Limited (SCML)	India	87.49
Meghalaya Power Limited (MPL)	India	51.00
NE Hills Hydro Limited (NeHHL)	India	100.00

- (d) The parent and the subsidiaries provide depreciation on Written Down Value method except the Power Division of MTEPL, where depreciation is provided on Straight-Line Method (SLM) in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part ‘C’ thereof. The parent and subsidiaries have adopted uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Company’s separate financial statements.
- (e) In terms of Accounting Standard-21 notified under Companies (Accounting Standards) Rules, 2006, Minority interest has been computed in respect of non –fully owned subsidiaries and adjusted against the consolidated income of the group in order to arrive at the net income attributable to shareholders of the Company
- (f) Reserves shown in the Consolidated Balance Sheet represent the Group’s share in the respective reserves of the Group Companies. Retained earnings comprise General Reserve and Profit and Loss Account.

1. Significant Accounting Policies

1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

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

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 the financial statements and the results of operations during the reporting period 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 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vest with the Railway authorities are depreciated over ten years. The Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya power Limited 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 fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

1.4 Capital Work In Progress

Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

Notes to Consolidated Financial Statements *(contd.)*

1.5 Expenditure during construction period

In case of new projects and substantial expansion of existing factories, 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.

1.6 Depreciation

Depreciation on Fixed Assets is provided on Written Down Value method except the Power Division of MTEPL, where depreciation is provided on Straight-Line Method (SLM) in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable capital assets. 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.

1.7 Investments

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

1.8 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work in progress and finished goods are valued at lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.9 Retirement Benefits

(i) 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 & Loss for the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

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

(iii) Other Long-term benefits

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

Actuarial gain/losses, if any, are recognized in the Statement of Profit & Loss.

1.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.11 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss 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.

1.12 Foreign Currency Transactions and Balances

Transactions in foreign currencies entered into by the Company are accounted at the exchanges 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 and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited are recognized as income or expenses in the Statement of Profit and Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange



Notes to Consolidated Financial Statements *(contd.)*

difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates' in the case of the Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

1.13 Revenue Recognition

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty and other taxes are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

1.14 Intangible Assets

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

1.15 Taxes on Income

Tax expense comprises of current & deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future. Deferred tax assets / liabilities are reviewed as at Balance Sheet date based on developments during the year and available case laws to reassess realization / liabilities.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.16 Government Grants and Subsidies

Government grants / subsidies are recognized 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 of Profit and Loss as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

1.17 Research and Development Expenditure

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

1.18 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. 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 neither recognized nor disclosed in the financial statements.

1.19 Segment Reporting

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately accordingly to the nature of products/services, with each segment representing a strategic business unit that offers different product/services.

1.20 Cash & Cash Equivalents

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

1.21 Earnings Per Share

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

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

Notes to Consolidated Financial Statements *(contd.)*

2.1 - Share Capital

(₹ in Lacs)

	31.03.15	31.03.14
Authorised Capital		
6,00,00,000 (6,00,00,000 as at 31.03.14) Equity Shares of ₹10/- each fully paid	6000.00	6000.00
Issued, Subscribed & fully Paid -up shares		
4,19,21,392 (4,19,21,392 as at 31.03.14) Equity Shares of ₹10/- each fully paid	4192.14	4192.14

a Terms/Rights attached to equity shares

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

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

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

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	41921392	41921392
Issued during the year	-	-
Outstanding at the end of the year	41921392	41921392

c Shares held by Holding Company

	No. of Shares	No. of Shares
Star Ferro and Cement Limited	29547500	29547500

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

Name of the Shareholders	No. of Shares % of holding	No. of Shares % of holding
Star Ferro and Cement Limited	29547500 70.48%	29547500 70.48%
Sajjan Bhajanka	3657292 8.72%	3562500 8.50%
Rajendra Chamaria	2756514 6.58%	3163742 7.55%

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.



Notes to Consolidated Financial Statements (contd.)

2.2 - Reserves & Surplus

(₹ in Lacs)

	31.03.15	31.03.14
Capital Reserve		
Balance as per last Account	23,833.70	23,826.40
Addition/(Deduction) during the year	-	
	23,833.70	23,826.40
General Reserve		
Balance as per last Account	3,820.00	3,700.00
Addition during the year	-	120.00
	3,820.00	3,820.00
Surplus as per Profit & Loss Account		
Balance as per last Account	52,443.43	54,209.46
Profit/(loss) for the year	11,865.39	(419.88)
Amount available for appropriation	64,308.83	53,789.58
Less: Appropriations		
Transfer to General Reserve	-	(120.00)
Proposed Dividend	(3,353.71)	-
Corporate Dividend Tax	(670.55)	-
Interim Dividend Paid	-	(1,048.03)
Corporate Dividend Tax	-	(178.11)
Total Appropriation	(4,024.26)	(1,346.15)
Net Surplus in the statement of profit and loss	60,284.57	52,443.43
Total Reserves and Surplus	87,938.27	80,097.13

2.3 - Long Term Borrowings

(₹ in Lacs)

	31.03.15	31.03.14
Term Loans		
- Rupee Loans from Banks (Secured)	36,420.75	49,527.50
- Rupee Loans from Body Corporate (Secured)	3,997.77	-
- Foreign Currency Loan from Banks (Secured)	25,073.34	28,805.49
Loans and Advances from a Related Party		
- From a Director (Unsecured)	3,300.00	-
Other Loans & Advances		
- Buyers Credit from banks on capital account (Secured)	-	521.47
- Hire Purchase Finance from Body Corporates (Secured)	23.45	3.62
- Hire Purchase Finance from banks (Secured)	302.60	560.97
	69,117.90	79,419.05
Less: Current Maturities of long term borrowings	18,870.57	14,559.38
	50,247.33	64,859.67

1. Rupee Term Loan of ₹3,935.58 Lacs from a bank is repayable in further 9 equal quarterly instalments ending on June, 2017. The Loan is secured by pari passu first charge on current assets and pari passu first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya
2. Rupee Term Loans of ₹9,842.45 Lacs and Foreign Currency Loan of ₹3,414.10 Lacs from banks are repayable in further 19 unequal quarterly instalments ending on December 2019. The loans are secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the Company's cement grinding unit at Guwahati, Assam.

Notes to Consolidated Financial Statements *(contd.)*

2.3 - Long Term Borrowings *(contd.)*

3. Rupee Term Loan of ₹24,392.29 Lacs and foreign currency loan of ₹8,996.49 Lacs from banks and body corporates are repayable in further 19 unequal quarterly installments ending on December 2019. Term Loans are secured by first charge on the fixed assets of the subsidiary's Cement clinker plant at Lumshnong, Meghalaya on pari passu basis.
4. Rupee Term Loan of ₹2,248.20 Lacs and foreign currency loan of ₹12,662.75 Lacs from a bank are repayable in 28 unequal quarterly installments commenced from March 2013. These Term Loans are secured by first charge on the fixed assets of the subsidiary's power plants at Lumshnong, Meghalaya on pari-passu basis.
5. Hire Purchase Finance of ₹27.58 Lacs is secured by hypothecation of Company's vehicles and is repayable within two to three years having varying date of payment.
6. Hire Purchase Finance from Banks and Body Corporates of ₹298.47 Lacs is secured by hypothecation of subsidiary's vehicles / equipment and is repayable within three to four years having varying date of payment.
7. Term Loans of ₹61,494.08 Lacs from Banks have been guaranteed by some of the Directors of the Company.
8. The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

2.4 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

	31.03.15	31.03.14
Deferred Tax liability		
-Fixed assets	866.08	449.29
Gross deferred tax liability	866.08	449.29
Deferred Tax Assets		
-Gratuity & Leave encashment	-	22.94
-Trade receivable	-	56.92
Gross deferred tax asset	-	79.87
Net Deferred Tax (Assets)/Liability (Refer Note no 2.38)	866.08	369.42

Note: Deferred Tax Asset in respect of the Company and its Subsidiaries where the net results is deferred tax asset, is not recognized in respect of timing difference of depreciation and expenditures allowable on payment basis for tax purpose, considering the principle of prudence. However, the position will be reviewed every year.

2.5 - Other Long Term Liabilities

(₹ in Lacs)

	31.03.15	31.03.14
-Security Deposit	7,636.89	5,945.94
-Retention Money	725.45	1,335.84
	8,362.35	7,281.79

2.6 - Long Term Provisions

(₹ in Lacs)

	31.03.15	31.03.14
Provisions for employee benefits		
- Leave Encashment	145.87	93.22
- Gratuity	76.89	62.55
	22.76	155.78



Notes to Consolidated Financial Statements (contd.)

2.7 - Short Term Borrowings

(₹ in Lacs)

	31.03.15	31.03.14
Working Capital facilities from Banks		
- Cash Credit (Secured)	12,799.29	10,995.15
- Foreign Currency Demand Loan (Secured)	3,129.54	4,504.99
	15,928.83	15,500.14
Short Term Loan		
- From a Bank (Unsecured)	3,000.00	1,500.00
	18,928.83	17,000.14

- a. The above amount includes
- | | | |
|----------------------|-----------|-----------|
| Secured borrowings | 15,928.83 | 15,500.14 |
| Unsecured borrowings | 3,000.00 | 1,500.00 |
- b. Working Capital facilities of ₹4,030.87 Lacs from banks are secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.
- c. Working capital facilities of ₹8,843.74 Lacs from banks are secured by pari passu first charge on current assets and pari passu second charge on fixed assets of the Company's cement grinding unit at Guwahati, Assam.
- d. Working capital facilities of ₹71.68 Lacs from banks are secured by first charge on current assets and second charge on fixed assets of subsidiary's Cement Grinding unit at Lumshnong, Meghalaya on pari passu basis.
- e. Working capital facilities of ₹930.84 Lacs from banks are secured by first charge current assets and second charge on fixed assets of subsidiary's Clinker unit at Lumshnong, Meghalaya on pari passu basis.
- f. Cash credit of ₹2051.70 Lacs from a bank is secured by first charge on subsidiary's current assets and second charge on fixed assets of subsidiary's power plants at Lumshnong, Meghalaya.
- g. Working Capital facilities of ₹26,500.00 Lacs from Banks have been guaranteed by some of the Directors of the Company.
- h. Short term loan from a bank is due for repayment on June, 2015.
- i. Short term loan from a Director is repayable on demand

2.8 - Other Current Liabilities

(₹ in Lacs)

	31.03.15	31.03.14
Current Maturities of long term borrowings	18,870.57	14,559.38
Interest accrued but not due on borrowings	41.43	68.00
Other Payables		
-Statutory Liabilities (including excise duty on finished goods ₹54.59 Lacs, ₹218.76 Lacs as at 31.03.14)	1,523.85	3,559.54
-Creditors-Micro, Small & Medium Enterprises (refer note no. 2.26)	-	-
-Creditors for Capital goods	176.42	136.81
-Advances from customer	1,221.04	978.24
-Salary and Bonus to employees	256.75	363.92
-Other Liabilities	9,538.88	6,216.84
	31,628.95	25,882.72

2.9 - Short Term Provisions

(₹ in Lacs)

	31.03.15	31.03.14
Provisions for Employee Benefits		
- Gratuity	47.45	14.24
- Leave Encashment	36.60	16.52
	84.05	30.75
Others		
- Proposed Dividend	3,353.71	-
- Corporate Dividend Tax	670.55	-
	4,024.26	-
	4,108.30	30.75

Notes to Consolidated Financial Statements (contd.)

2.10 - Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.14	Additions	Deduction / Adjustment	Total as on 31.03.15	Upto 31.03.14	For the year	Deduction / Adjustment	Total as on 31.03.15	As on 31.03.14	As on 31.03.15
A. TANGIBLE ASSETS										
Land & Site Development	7,000.37	392.02	(1,239.26)	6,153.12	-	-	-	-	6,153.12	7,000.37
Factory Building	18,202.86	448.11	-	18,650.97	4,084.14	1,350.65	-	5,434.79	13,216.18	14,118.72
Non Factory Building	5,221.45	1,542.31	1,239.26	8,003.02	959.32	1,936.78	-	2,896.10	5,106.92	4,262.13
Plant, Machinery & Equipment	1,13,723.49	8,211.65	6.65	1,21,928.49	27,387.20	17,978.62	4.43	45,361.39	76,567.10	86,336.29
Furniture & Fixtures	649.83	67.59	1.33	716.09	365.99	91.40	0.86	456.53	259.56	283.84
Office Equipment	466.03	36.69	15.44	487.28	202.05	188.28	4.91	385.42	101.86	263.98
Computers	592.69	93.83	0.42	686.11	443.93	119.68	0.09	563.52	122.59	148.76
Vehicles	3,435.93	139.54	254.35	3,321.12	1,937.44	531.02	200.24	2,268.22	1,052.90	1,498.50
Tools & Tackles	1,107.80	36.87	-	1,144.67	787.99	154.98	-	942.97	201.70	319.81
Total - A	1,50,400.45	10,968.61	278.19	1,61,090.87	36,168.06	22,351.41	210.53	58,308.94	1,02,781.92	1,14,232.38
Previous Year's figures	1,33,650.67	16,959.40	209.63	1,50,400.45	20,641.39	15,661.26	134.59	36,168.06	1,14,232.38	1,13,009.29
B. INTANGIBLE ASSETS										
Computer Software	144.64	7.87	0.16	152.35	114.75	22.89	0.16	137.47	14.88	29.89
Previous Year's figures	122.94	21.69	-	144.64	92.83	21.92	-	114.75	29.89	30.11

a. During the year Company and its Subsidiaries has discarded fixed assets amounting to ₹2.08 Lacs, (Previous Year Nil) and sold fixed assets amounting to ₹276.11 Lacs, (Previous Year ₹59.81 Lacs).

b. Cost of Internal Road amounting to ₹1,239.26 Lacs has been regrouped under Non-factory building which was considered under land and Site development in the previous year.

(₹ in Lacs)



Notes to Consolidated Financial Statements (contd.)

2.11 - Non Current Investments

(₹ in Lacs)

	31.03.15	31.03.14
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Ribhoi Engineering Company Private Limited	2.70	2.70
27,000 (27,000 as at 31.03.14) Equity Shares of ₹10/- each fully paid up		
Adonis Vyapaar Pvt. Ltd.	31.42	31.42
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10/- each fully paid up		
Apanapan Viniyog Pvt. Ltd.	31.42	31.42
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10/- each fully paid up		
Ara Suppliers Pvt Ltd	31.36	31.36
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10/- each fully paid up		
Arham Sales Pvt. Ltd.	31.42	31.42
3,23,190 (3,23,190 as at 31.03.14) Equity Share of ₹10/- each fully paid up		
Non Trade Investments (valued at cost unless stated otherwise)		
Investment in Quoted Equity Instruments		
Reliance Power Limited	24.54	24.54
8,743 (8,743 as at 31.03.14) Equity Shares of ₹10/- each fully paid up		
	152.86	152.86
Aggregate amount of Quoted investment (market Value ₹4.94 Lacs as on 31.03.15)	24.54	24.54
Aggregate amount of Unquoted investments	128.32	128.32

2.12 - Long Term Loans and Advances

(₹ in Lacs)

	31.03.15	31.03.14
Capital Advances		
Secured, Considered Good	-	8.00
Unsecured, Considered Good	3,788.74	4,042.37
	3,788.74	4,050.37
Security Deposits		
Unsecured, Considered Good	814.12	233.70
	814.12	233.70
Other Loans and advances		
Unsecured, Considered Good		
-Balances with Statutory/Government authorities	1,469.26	1,385.55
-Subsidies/Incentives Receivable from Central/State Governments	21,219.50	21,219.50
-Advance Income Tax (net of provision for taxation), including MAT Credit Entitlement	12,383.68	10,108.46
	35,072.45	32,713.51
	39,675.30	36,997.58

2.13 - Other Non Current Assets

(₹ in Lacs)

	31.03.15	31.03.14
Others		
Balance with banks held as margin money deposits with original maturity of more than 12 months	44.91	51.03
	44.91	51.03

Notes to Consolidated Financial Statements *(contd.)*

2.14 - Inventories

(₹ in Lacs)

	31.03.15	31.03.14
Raw Materials [Including in transit-₹ Nil, ₹ Nil as on 31.03.14]	1,657.80	1,790.96
Work - In - Process	191.75	289.92
Finished Goods [including in transit-₹450.48 Lacs, As at 31.03.14 ₹559.17 Lacs] and Power inventory (with MeSCL) ₹593.05 Lacs, PY ₹687.15 Lacs]	2,674.87	3,863.09
Stock in Trade [including in transit-₹13.92 Lacs, As at 31.03.14 ₹ Nil]	93.97	-
Fuels, packing materials, etc.	2,508.62	6,258.92
Stores & Spares parts	3,787.47	3,344.15
	10,914.48	15,547.04

2.15 - Trade Receivables

(₹ in Lacs)

	31.03.15	31.03.14
Secured Considered Good		
Over Six months	145.96	101.65
Other debts	4,453.75	2,424.21
	4,599.71	2,525.85
Unsecured		
Over Six Months		
I Considered Good	329.70	119.98
Considered Doubtful	187.96	180.00
Less: Provision for Doubtful Debts	(187.96)	(180.00)
	329.70	119.98
II Claims due from Central Government - Considered Good	5,899.03	1,301.63
Other Debts		
I Considered Good	15,496.26	6,670.83
II Claims due from Central Government - Considered Good	4,655.68	1,883.00
	20,151.94	8,553.83
	30,980.39	12,501.29

Note: Periodically, the Company evaluates realisability of all customer dues. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company and its subsidiaries normally provides for debtor dues outstanding for six months or longer from the invoice date, at the Balance Sheet date. The Company and its subsidiaries pursues the recovery of the dues, in part or full.

2.16 - Cash & Cash Equivalents

(₹ in Lacs)

	31.03.15	31.03.14
Cash on Hand	64.87	54.13
Cheques In Hand	1,012.89	419.24
Balance with Banks		
- In current accounts/cash credit accounts	884.97	430.79
- In Fixed Deposit accounts with original maturity of upto 3 months	11.64	0.13
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months	56.47	236.97
	2,030.85	1,141.25



Notes to Consolidated Financial Statements (contd.)

2.17 - Short Term Loans and Advances

(₹ in Lacs)

	31.03.15	31.03.14
Loans and advances to related parties		
Unsecured, Considered Good		
- Advances Recoverable from an Associate	35.00	35.00
	35.00	35.00
Others		
Unsecured, Considered Good		
- Advances to suppliers	1,388.78	846.92
- Loan and advances to employees	87.93	70.65
- Balances with Statutory/Government authorities	5,220.32	6,744.68
- Subsidies /Incentives Receivable from Central/State Governments	18,486.01	10,082.80
- Advances for Services & Expenses	2,723.45	2,108.57
- Prepaid expenses	335.67	343.78
- Intercompany Deposits	-	800.00
	28,242.17	20,997.41
	28,277.17	21,032.41

2.18 - Revenue from Operations

(₹ in Lacs)

	2014-15	2013-14
Sale of Products		
Domestic	1,43,157.19	1,02,553.63
Add: Captive Consumption	188.37	186.71
Export	3,620.85	-
	1,46,966.41	1,02,740.34
Other Operating Income		
Shortage Recovery of Cement & Clinker	152.06	75.44
Sale of Fly ash	21.05	4.03
Bad Debts Recovered	-	2.80
Sale of Scrap	173.26	111.25
Revenue from operation (gross)	1,47,312.78	1,02,933.86

(₹ in Lacs)

	2014-15	2013-14
Details of Products Sold		
Cement	1,34,588.55	97,452.59
Gypsum	77.38	-
Power	504.37	-
Clinker	11,607.75	5,101.04
	1,46,778.04	1,02,553.63

Notes to Consolidated Financial Statements *(contd.)*

2.19 - Other Income

(₹ in Lacs)

	2014-15	2013-14
Interest Income on		
- Bank deposits	21.77	13.30
- others	29.92	145.94
Miscellaneous Income	26.44	102.76
	78.13	262.00

2.20 - Cost of Materials Consumed

(₹ in Lacs)

	2014-15	2013-14
Inventory at the beginning of the year	1,790.96	1,327.88
Add: Purchases	16,657.87	17,074.23
	18448.83	18,402.11
Less: Inventory at the end of the year	1,657.80	1,790.96
Cost of Materials Consumed	16,791.04	16,611.15

(₹ in Lacs)

	2014-15	2013-14
Details of Raw materials Consumed		
Limestone	5,758.79	4,552.73
Shale	292.73	190.50
Iron Mill Scale	442.76	594.23
Gypsum	253.06	483.10
Fly ash	5,655.07	6,272.41
Others including freight on clinker	4,105.22	4,025.78
Iron Ore (Fine)	283.40	492.39
	16,791.04	16,611.15

2.21 - (Increase) /Decrease in Inventories

(₹ in Lacs)

	2014-15	2013-14
Work in Process		
Opening Stock	289.92	114.42
Closing Stock	191.75	289.92
	(98.17)	175.50
Finished Goods		
Opening Stock	3,863.09	2,436.35
Closing Stock	2,674.87	3,863.09
	(1,188.22)	1,426.74
Stock in Trade		
Opening Stock	-	-
Closing Stock	93.97	-
	93.97	-
(Increase) /Decrease	1,192.42	(1,602.24)

(₹ in Lacs)

	2014-15	2013-14
Details of Finished goods		
Cement	1,681.70	1,899.40
Power	570.42	687.15
Clinker	422.75	1,276.54
	2,674.87	3,863.09



Notes to Consolidated Financial Statements *(contd.)*

2.22 - Employee Benefit Expenses

(₹ in Lacs)

	2014-15	2013-14
Salaries & Wages	8,522.57	6,868.52
Contribution to Provident Fund and other funds	250.16	193.19
Welfare Expenses	303.55	279.21
	9,076.29	7,340.92

2.23 - Finance Costs

(₹ in Lacs)

	2014-15	2013-14
Interest Expense		
- On Fixed Loans	6,804.53	6,998.54
- Others	1,559.05	1,053.66
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	126.55	174.16
Other finance Costs	248.31	117.83
	8,738.44	8,344.19

2.24 - Other Expenses

(₹ in Lacs)

	2014-15	2013-14
Consumption of Stores & Spares	1,186.88	1,255.94
Packing Materials	4,079.66	3,168.51
Power & Fuel	17,200.41	16,187.17
Repairs & Maintenance		
- Building	530.22	491.60
- Plant & Machinery	1,411.02	1,372.00
- Others	238.47	230.94
Heavy Vehicle / Equipment Running Expenses	1,565.24	1,159.67
Excise duty variation on opening/closing stock	(120.76)	97.01
Travelling and Conveyance	844.13	671.69
Insurance(Net)	370.45	279.54
Rent, Rates & Taxes	1,498.22	1,179.54
Research & Development Expenses	54.77	60.03
Charity & Donation	253.17	341.85
Miscellaneous Expenses	1,801.00	1,699.46
Advertisement & Publicity	2,501.04	2,242.34
Outward Freight Charges (Net)	24,260.18	17,876.76
Sales Promotion Expenses	2,117.74	2,085.45
Commission, Discount & Incentives on Sale	7,574.08	6,661.14
	67,365.93	57,060.63

Notes to Consolidated Financial Statements *(contd.)*

2.25

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

2.26

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

2.27

Against company's and its Subsidiary (Megha Technical & Engineers Private Limited) claim for refund of differential excise duty, Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety in line with the Interim Order dated 13th January, 2012 passed by Hon'ble Supreme Court in case of "VF Ltd and others based on the said judgment of the Hon'ble High Court, in favour of the Company and its subsidiary Megha Technical & Engineers Private Limited and legal opinion obtained by the Company and its subsidiary Megha Technical & Engineers Private Limited, the differential excise duty refund of ₹803.30 Lacs (PY ₹3,684.50 Lacs) have been recognized as revenue in the book of accounts.

2.28 - Capital and Other Commitments (to the extent not provided for)

(₹ in Lacs)

	31-03-15	31-03-14
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	-	166.92

2.29 - Contingent Liabilities

(₹ in Lacs)

	31-03-15	31-03-14
Claims against the Company not acknowledged as debts – Excise/VAT/Income Tax Matters/Royalty etc	2,794.49	3,198.07
Guarantee provided to banks on behalf of Contractors	80.91	379.18
Export obligation under EPCG scheme	1,001.04	1,001.04
Bills of exchange discounted with banks	386.73	-
Bank Guarantees issued by banks	431.17	4,212.11
Letter of Credits issued by banks	183.83	82.00
Solvent surety furnished to Excise Department against differential excise duty refund (refer note no 2.27)	2,131.40	1881.30

Note: Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in cases mentioned here-in-above and hence, no provision there against is considered necessary.

2.30 - Borrowing Cost Capitalized

(₹ in Lacs)

	2014-15	2013-14
Borrowing Cost capitalized	61.69	1,105.40



Notes to Consolidated Financial Statements (contd.)

2.31 Unhedged Foreign Currency Exposure

(₹ in Lacs)

Types of Transactions	As on 31.03.15			As on 31.03.14		
	Foreign Currency	In Million	₹ in Lacs	Foreign Currency	In Million	₹ in Lacs
FCNRB Term Loan	USD	2.74	1,714.99	USD	3.86	2,318.40
FCNRB Demand Loan	USD	5.00	3,129.54	USD	5.00	3,004.99
ECB Loan	USD	166.68	23,358.35	USD	197.83	26,487.08
Buyers Credit	-	-	-	EURO	0.13	11.07
Buyers Credit	-	-	-	USD	8.17	488.43
Buyers Credit	-	-	-	GBP	0.22	21.97

2.32 - Related party Disclosures

A	Names of the related parties where control exists	Nature of relationship
	Star Ferro and Cement Limited (SFCL)	Holding Company
B	Others-with whom transactions have taken place during the year	
I	Names of other related parties	Nature of relationship
	Century Plyboards (India) Limited (CPIL)	Associate
	Shyam Century Ferrous Limited (SCFL)	Associate
	Star India Cement Limited (SICL)	Associate
II	Key Management Personnel	
	Names of other related parties	Nature of relationship
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Joint Managing Director
	Mr. Pankaj Kejriwal	Managing Director in subsidiary
	Mr. Prem Kumar Bhajanka	Managing Director in subsidiary
	Mr. Sanjay Kr. Gupta	CEO (Deputy CEO upto.25.03.15)
	Mr. Vishal Agarwal	CFO (W.e.f 20.09.14) in subsidiary
	Mr. Vivek Lahoti	CFO (W.e.f 20.09.14) in subsidiary
	Mr. Pramod Mundhra	CFO (Continued upto 21.03.15) in subsidiary
	Mr. Manoj Agarwal	Company Secretary
	Mr. Mohit Mahana	Company Secretary in subsidiary
	Ms. Nupur Burman	Company Secretary in subsidiary
III	Relatives of Key Management Personnel	
	Names of the related parties	Nature of relationship
	Mrs. Renu Chamaria	Wife of Mr. Rajendra Chamaria
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria

Notes to Consolidated Financial Statements (contd.)

2.32 - Related party Disclosures (contd.)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2015

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Associates		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Purchase Transactions						
	SFCL	-	29.39	-	-	-	-
	SCFL	-	-	16.36	-	-	-
	CPIL	-	-	7.47	51.89	-	-
2	Sale Transactions						
	SFCL	-	9.75	-	-	-	-
	SCFL	-	-	505.59	-	-	-
	CPIL	-	-	6.79	11.84	-	-
3	Loan Taken						
	CPIL	-	-	-	2,400.00	-	-
4	Loan Taken repaid						
	CPIL	-	-	-	2,400.00	-	-
5	Loan Given						
	SFCL	-	649.00	-	-	-	-
	SCFL	-	-	200.00	-	-	-
6	Loan given received						
	SFCL	-	1,209.00	-	-	-	-
	SCFL	-	-	200.00	-	-	-
7	Interest paid						
	SCFL	-	-	-	-	-	-
	CPIL	-	-	-	20.94	-	-
8	Interest received						
	SFCL	-	22.56	-	-	-	-
	SCFL	-	-	5.40	-	-	-
9	Miscellaneous Income						
	SFCL	-	5.96	-	-	-	-
10	Remuneration Paid						
	Mr. Sajjan Bhajanka	-	-	-	-	48.00	48.00
	Mr. Sanjay Agarwal	-	-	-	-	48.00	48.00
	Mr. Rajendra Chamaria	-	-	-	-	48.00	48.00
	Mr. Pankaj Kejriwal	-	-	-	-	42.00	42.00
	Mr. Prem Bhajanka	-	-	-	-	48.00	43.00
	Mr. Sanjay Kr. Gupta	-	-	-	-	73.72	50.04
	Mr. Rahul Chamaria	-	-	-	-	30.00	30.00
	Mr. Sachin Chamaria	-	-	-	-	24.00	24.00
	Mr. Manoj Agarwal	-	-	-	-	36.85	22.50
	Mr. Vivek Lahoti	-	-	-	-	12.88	-
	Mr. Pramod Mundhra	-	-	-	-	4.93	-
	Mr. Mohit Mahana	-	-	-	-	4.51	3.74
	Ms. Nupur Burman	-	-	-	-	3.81	1.00
	Mr. Vishal Agarwal	-	-	-	-	4.03	-
11	Loans & advances taken						
	Mr. Prem Bhajanka	-	-	-	-	3,300.00	-
12	Interest paid						
	Mr. Prem Bhajanka	-	-	-	-	48.42	-
13	Dividend paid						
	SFCL	-	738.69	-	-	-	-
	Mr. Sajjan Bhajanka	-	-	-	-	-	89.06
	Mr. Rajendra Chamaria	-	-	-	-	-	79.09



Notes to Consolidated Financial Statements (contd.)

2.32 - Related party Disclosures (contd.)

(₹ in Lacs)

SI No.	Types of Transactions	Holding Company		Associates		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	Mrs. Renu Chamaria	-	-	-	-	-	8.17
	Mr. Rahul Chamaria	-	-	-	-	-	15.50
	Mr. Sachin Chamaria	-	-	-	-	-	15.00
	Others	-	-	-	-	-	61.41
14	Balance Outstanding:						
	Receivable/(payable)						
	CPIL	-	-	-	-	-	-
A	Share Capital						
	SFCL	2,954.75	6,328.25	-	-	-	-
	SCFL	-	-	3,373.50	-	-	-
B	Loans & Advances paid						
	SICL	-	-	35.00	35.00	-	-
C	Guarantees Obtained						
	Mr. Sajjan Bhajanka	-	-	-	-	56,103.07	55,096.82
	Mr. Rajendra Chamaria	-	-	-	-	37,692.13	38,136.74
	Mr. Sanjay Agarwal	-	-	-	-	37,692.13	38,136.74
	Mr. Prem Kumar Bhajanka	-	-	-	-	15,345.96	13,443.43

2.33 - Segment Reporting

(₹ in Lacs)

SL. No.	Types of Transactions	2014-15				2013-14			
		Power	Cement	Others	Total	Power	Cement	Others	Total
A	Revenue (Gross)								
	External Sales	575.39	1,46,391.02	-	1,46,966.41	63.97	1,02,676.37	-	1,02,740.34
	Inter Segment Sales	9,190.51	39,746.83	-	48,937.34	8,510.94	33,232.79	-	41,743.73
	Elimination	(9,190.51)	(39,746.83)	-	(48,937.34)	(8,510.94)	(33,232.79)	-	(41,743.73)
	Total Revenue (Gross)	575.39	1,46,391.02	-	1,46,966.41	63.97	1,02,676.37	-	1,02,740.34
B	Results								
	Segment Result	1,685.59	19,083.82	-	20,769.41	1,230.81	6,819.17	-	8,049.98
	Unallocated Income/ Expenses (Net)	-	-	-	579.61	-	-	-	(241.91)
	Interest & Finance Charges (Net)	-	-	-	(8,738.44)	-	-	-	(8,184.94)
	Operating Profit	-	-	-	12,610.58	-	-	-	(376.87)
	Exceptional Income	-	-	-	1.83	-	-	-	(102.39)
	Provision for Taxation	-	-	-	(2,640.09)	-	-	-	(87.87)
	Mat Credit Entitlement reversal	-	-	-	2,640.09	-	-	-	(26.61)
	Income Tax for earlier year	-	-	-	16.52	-	-	-	0.40
	Deferred Tax (Net)	-	-	-	(496.65)	-	-	-	247.62
	Profit after Tax (before minority interest)	-	-	-	12,132.28	-	-	-	(345.73)
	Other Information								
A	Total Assets								
	Segment Assets	28,998.98	1,83,215.21	-	2,12,214.19	30,447.55	1,77,024.75	7.15	2,07,479.44
	Unallocated Corporate/Other Assets	-	-	6,755.75	6,755.75	-	-	4,129.53	4,129.53
B	Total Liabilities								
	Segment Liabilities	17,911.09	103,177.54	-	1,21,085.63	21,390.57	99,235.19	0.15	1,20,625.92
	Unallocated Corporate/Other Liabilities	-	-	9,77.79	9,77.79	-	-	2,187.55	2,187.55
C	Capital Expenditure	1,158.95	3,713.28	-	4,872.23	2,605.51	11,219.86	0.20	13,825.57
D	Depreciation	2,051.33	20,322.96	-	22,374.29	2,804.09	12,879.09	-	15,683.18

*External Sales include captive consumption

Notes to Consolidated Financial Statements *(contd.)*

2.34 - Employee Defined Benefits

- a) Defined Contribution Plans –The Company has recognized an expense of ₹ 250.16 Lacs (Previous year ₹193.19 Lacs) towards the defined contribution plans.
- b) Define Benefit Plans - The Company has a defined benefit gratuity plan. Every employee who has completed five years or more service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarise the components of net benefit expenses recognised in the Profit & Loss Account and the funded status and amounts recognised in the balance Sheet for the Gratuity.
- c) Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by the Company.
- (d) Defined Benefit Plans – As per Actuarial Valuation as at 31st March, 2015

(₹ in Lacs)

Types of Transactions	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Expense recognized in the Statement of Profit and Loss				
1. Current Service Cost	57.55	57.80	41.36	26.29
2. Interest Cost	20.16	11.69	16.62	8.82
3. Employee Contribution	-	-	-	-
4. Expected Return on Plan Assets	(12.21)	-	(10.49)	-
5. Actuarial (Gains)/Losses	16.49	62.88	10.18	36.85
6. Past Service Cost	-	-	-	-
7. Settlement Cost	-	-	-	-
8. Losses/(gains) on acquisition/divestiture	1.42	-	(9.54)	-
9. Total Expense	83.41	132.38	48.14	71.96
II. Net Asset/(Liability) recognized in the Balance Sheet				
1. Present Value of Defined Benefit Obligation	293.32	182.46	210.67	109.73
2. Fair Value of Plan Assets	168.98	-	137.11	-
3. Funded Status [Surplus/(Deficit)]	(124.34)	(182.46)	(73.56)	(109.73)
4. Net Asset/ (Liability)	(124.34)	(182.46)	(73.56)	(109.73)
III. Change in Obligation during the Year				
1. Present value of Defined Benefit Obligation at the beginning of the year	210.68	109.74	158.82	86.30
2. Current Service Cost	57.55	57.80	41.36	26.29
3. Interest Cost	20.16	11.69	16.62	8.82
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition/(settled on divestiture)	(1.73)	-	-	-
8. Actuarial (Gains)/Losses	16.49	62.88	10.18	36.85
9. Benefits Payments	(9.82)	(59.66)	(16.32)	(48.52)
10. Present Value of Defined Benefit Obligation at the end of the year	293.32	182.46	210.67	109.74
IV. Change in assets during the Year				
1. Plan Assets at the beginning of the year	137.11	-	95.93	-
2. Assets acquired on amalgamation in previous year	-	-	-	-



Notes to Consolidated Financial Statements (contd.)

2.34 - Employee Defined Benefits

(₹ in Lacs)

Types of Transactions	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
3. Settlements	-	-	-	-
4. Expected return on plan assets	12.21	-	10.49	-
5. Contributions by employer	32.04	59.66	37.46	48.52
6. Actual Benefit Paid	(9.82)	(59.66)	(16.32)	(48.52)
7. Actuarial Gains/(Losses)	(2.56)	-	9.54	-
8. Plan Assets at the end of the year	168.98	-	137.11	-
9. Actual Return on plan assets	8.54	-	15.13	-
V. The major categories of plan assets as a percentage of the fair value of total plan assets				
1. Funded with insurer	100.00%	-	100.00%	-
VI. The Principal actuarial assumptions are as follows:				
Discount rate	8.25%	-	8.25%	8.25%
Expected Return on plan assets	9.00%	-	9.00%	-
Salary Increase	5.00%	-	5.00%	5.00%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees			

2.35

The Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited have exercised the option under in paragraph 46A of the Accounting Standard 11 (AS-11) - The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited 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 31st March, 2015 of the Company is ₹ 713.49 Lacs, (PY. ₹18.59 Lacs). The unamortized portion carried forward as at 31st March, 2015 is ₹4,170.02 Lacs, (as at 31.03.14 ₹3,756.60 Lacs).

2.36 - Earning Per Share (EPS)

(₹ in Lacs)

	31-03-15	31-03-14
Profit/(Loss) Attributable to Equity Shareholders	11,865.39	(419.88)
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS (Face Value of ₹10 per share)	4,19,21,392	4,19,21,392
Weighted average number of equity shares outstanding for diluted EPS (Face Value of ₹10 per share)	4,19,21,392	4,19,21,392
Basic Earnings Per Share (₹)	28.30	(1.00)
Diluted Earnings Per Share (₹)	28.30	(1.00)

2.37 - Donations to Political Parties

(₹ in Lacs)

	2014-15	2013-14
Bharatiya Janta Party	1.65	-

Notes to Consolidated Financial Statements (contd.)

2.38 - Additional Information pursuant to Schedule III of the Companies Act, 2013

(₹ in Lacs)

Sl No	Name of the entity in the	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Parent	51.88%	50,273.98	37.89%	4,597.25
	Subsidiaries				
	Indian:				
1	Megha Technical & Engineers Pvt Ltd	21.77%	21,096.35	15.41%	1,869.59
2	Star Cement Meghalaya Ltd	19.48%	18,875.09	42.21%	5,120.79
3	Meghalaya Power Ltd	1.95%	1,884.99	2.29%	277.77
4	NE Hills Hydro Ltd	0.00%	-	-	-
	Foreign:				
	Minority Interest in subsidiaries	4.93%	4,773.11	2.20%	266.88
	Associates (Investment as per the equity method)				
	Indian:				
	None				
	Foreign:				
	None				
	Joint Ventures				
	None				
	TOTAL	100%	96,903.52	100%	12,132.28

2.39

The Company and its subsidiaries has charged depreciation based on the remaining useful life of the assets as per the provisions and requirements of Schedule II to the Companies Act, 2013 effective from April 1, 2014. Had there not been any change in useful life of the assets, depreciation for the year of the Company and its subsidiaries would have been lower by ₹6,121.14 Lacs and consequently profit before tax for the year of the Company and its subsidiaries would have been higher by ₹6,121.14 Lacs.

2.40

Figures have been rounded off to the nearest ₹ in Lacs.

2.41

Previous year figures has been regrouped and reclassified to conform to this year's classification.

As per our report of even date

For Kailash B. Goel & Co.

Firm Registration No. 322460E

Chartered Accountants

CA. Arun Kumar Sharma

Partner

Membership No. 57329

Place: Kolkata

Date: 28th April, 2015

Dilip Kr. Agarwal

Chief Financial Officer

Manoj Agarwal

Company Secretary

For & On Behalf Of Board Of Directors

Sajjan Bhajanka

Chairman & Managing Director

DIN: 00246043

Rajendra Chamaria

Vice-Chairman & Managing Director

DIN: 00246171



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CIN : U26942ML2001PLC006663