

# Prepared

Megha Technical and Engineers Private Limited  
Annual Report **2018-19**



#### Forward looking statement

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

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

## Contents

**1** Corporate information

---

**2** Directors' Report

---

**16** Financial Section

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# CORPORATE INFORMATION

CIN: U27107ML2002PTC006976

## Board of Directors

Mr. Pankaj Kejriwal, Managing Director  
Mr. Hari Prasad Agarwal, Director  
Mr. Rajesh Kumar Agarwal, Director  
Mr. Mangilal Jain, Director  
Mr. Santanu Ray, Director  
Ms. Edielanaphika Gabriela Suja War, Director (w.e.f. 04.02.2019)

## Chief Financial Officer

Mr. Vivek Lahoti

## Company Secretary

Mr. Mohit Mahana

## Auditors

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

## Bankers

State Bank of India

## Registered Office & Works

Vill.: Lumshnong, P.O.Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya – 793210

## Corporate Office

'Satyam Towers', 1st Floor,  
Unit No. 9B,  
3, Alipore Road  
Kolkata-700027

## Guwahati Office

Mayur Garden, 2nd Floor,  
Opp.: Rajiv Bhawan,  
G.S. Road, Guwahati-781005

## Delhi Office

281, Deepali  
Pitampura, New Delhi – 110034



# DIRECTORS' REPORT

*Dear Shareholders,*

Your Directors have pleasure in presenting Seventeenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date.

### Financial Highlights

The highlights of the financial performance of the Company for the financial year ended 31st March, 2019 as compared to the previous financial year are as under:-

(₹ in Lacs)

Particulars	2018-19	2017-18
Total Income	2,196.40	3215.41
Profit before Depreciation, Interest and Tax	1,292.59	556.68
Depreciation	202.91	188.90
Interest and Finance Charges	0.02	40.55
Profit/(Loss) before Tax	1,089.66	327.23
-Current Tax	163.02	97.97
-Deferred Tax	(13.11)	-
Profit/(Loss) after Tax	939.75	229.26
Other comprehensive income for the year, net of tax	305.50	680.72
Total comprehensive income for the year	1245.25	909.99

### Indian Cement Industry

Cement industry of the Country plays a vital role for development of the Country. It attracted huge investment and generated a considerable number of employment in the Country. Government's various initiatives like development of 'Smart cities', 'Housing for all' and infrastructural development will have positive impact on the grow of the cement sector. The Government has launched various missions like the Pradhan Mantri Awas Yojana, Atal Mission for Rejuvenation and Urban Transformation and Swachh Bharat Mission in order to ensure living habitation for poor. In view of increasing domestic demand in certain specified sector like housing, industrial construction and commercial construction the capacity of the cement industry of the country is expected to reach 550-600 MTPA by 2025.

### Operational Performance

During the year under review, your Company produced 3,450 MT of Cement as against 33,004 MT in the previous year. In the year 2018-19, your Company has dispatched 2,543 MT of cement and sold 1,356 MT of cement as compared to 34,634 MT and 38,324 MT respectively recorded in the previous year.

During the Financial Year under review, your Company's total

revenue stood at ₹ 2,196.40 lacs as against ₹ 3,215.41 lacs in previous year. The profit before tax stood at ₹ 1,089.66 lacs as against ₹ 327.23 lacs in the previous year.

### Marketing Performance

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

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

### Share Capital

The paid up Equity Share Capital as on March 31, 2019 was ₹ 2,734.64 Lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

### Extract of Annual Return

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked **Annexure-1**.

## Changes in Nature of Business, if any

There has not been any change in the nature of business.

## Meetings of the Board

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company. During the year, Four (4) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The meetings were held on 17th May, 2018, 26th July, 2018, 12th November, 2018 and 04th February, 2019.

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

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

\*Mr. Edmund Carmel Suja, Director of the Company expired on 17.10.2018

\*\*Ms. Edielanaphika Gabriela Suja War was appointed as an Additional Director of the Company w.e.f. 04.02.2019.

## Meetings of Independent Directors

During the year under review, a meeting of Independent Directors was held on 15th March, 2019 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## Compliance with the Secretarial Standards and Indian Accounting Standards

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in Section

133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

## Directors' Responsibility Statement

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit and loss of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Mangilal Jain and Mr. Santanu Ray are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

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

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced

and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

### Auditors & Auditors' Report

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Fifteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th September, 2017.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. The Board of Directors re-appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for conducting the audit of cost records of the Company for the Financial Year 2018-19. However, M/s. B. G. Chowdhury & Co. have expressed their unwillingness to be re-appointed for the Financial Year 2019-20 due to their pre-occupation.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751), as the Cost Auditors of the Company for the Financial Year 2019-20 under section 148 of the Companies Act, 2013. Messrs Sanjib Das & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Sanjib Das & Associates, Cost Auditors for the Financial year 2019-20 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2017-18 was filed with the Ministry of Corporate Affairs on 26.09.2018.

### Particulars of Loans, Guarantees or Investments

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

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

### Related Party Transactions

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

### Reserves

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

### Dividend

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

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

#### (A) Steps taken towards Conservation of energy

Since plant was not fully operational for entire financial year, no further steps were taken for conservation of energy and technical absorption.

**(B) Steps taken toward Technical Absorption**

The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems and quality improvement. During the year under review, your Company incurred Revenue Expenditure of ₹1.08 lacs and Capital expenditure of NIL in Research & Development.

**(C) Foreign Exchange Earnings and Outgo**

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

**Corporate Social Responsibility (CSR)**

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

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

**Performance Evaluation of the Board**

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

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

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders,

etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

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

**Directors and Key Managerial Personnel**

Mr. Edmund Carmel Suja expired on 17th October, 2018. The Board expressed their heartfelt condolences to the bereaved family and placed on record the invaluable contributions made by Mr. Edmund Carmel Suja, as a Director of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 04th February, 2019 appointed Ms. Edielanaphika Gabriela Suja War (DIN: 08322755) as Additional Director of the Company with immediate effect who shall hold office upto the date of the ensuing Annual General Meeting of the Company. Requisite notice under Section 160 of the Companies Act, 2013 has been received from a member in respect of her appointment.

The tenure of Mr. Pankaj Kejriwal, Managing Director of the Company were due to expire on 31st March, 2019. The Board at its meeting held on 4th February, 2019, on the recommendations of Nomination and Remuneration Committee, re-appointed Mr. Pankaj Kejriwal as the Managing Director of your Company for further period of three years with effect from 1st April, 2019 subject to necessary approvals of the shareholders at the ensuing Annual General Meeting.

The tenure of appointment of Mr. Mangilal Jain and Mr. Santanu Ray as Independent Directors expired on 31st March, 2019. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 04th February, 2019 re-appointed Mr. Mangilal Jain as an Independent Director for a second term of 1 (one) consecutive year from 1st April, 2019 upto 31st March, 2020 and re-appointed Mr. Santanu Ray as an Independent Director for a second term of 2 (two) consecutive year from 1st April, 2019 upto 31st March, 2021 by way of special resolution passed at the Extra-Ordinary General Meeting held on 29th March, 2019.

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

The following personnel are Key Managerial Personnel of the Company:

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

### Holding Company

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

### Subsidiaries, Associates and Joint Venture

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

### Deposits

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

### Changes Impacting Going Concern Status and Company's Operations

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

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

### Adequacy of Internal Financial Control

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

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

### Internal Control Over Financial Reporting

The Company has in place adequate internal financial

controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

### Policy on Prevention of Sexual Harassment

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

### Risk Management

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

### Committees of the Board

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

#### a. Audit Committee

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

During the year, the Committee met Four (4) times on 17th May, 2018, 26th July, 2018, 12th November, 2018 and 04th February, 2019. The composition of the Committee and the attendance details of the members are given below:

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



#### • Vigil mechanism

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

#### b. Nomination & Remuneration Committee

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

During the year, the Committee met on 17th May, 2018 and 04th February, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of meetings	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	2	2
Mr. Mangilal Jain	Independent	Member	2	2
Mr. Hari Prasad Agarwal	Non-Independent	Member	2	2

#### c. Corporate Social Responsibility Committee

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

During the year, the Committee met on 17th May, 2018. The composition of the Committee and the attendance details of the members are given below:

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

#### d. Finance Committee

The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

During the year under review, the Finance Committee met Three (3) times to deliberate on the various matters. The Meetings were held on 26th July, 2018, 04th January, 2019 and 22nd March, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of meetings	
			Held	Attended
Mr. Pankaj Kejriwal	Executive	Chairman	3	Nil
Mr. Hari Prasad Agarwal	Non-Independent	Member	3	3
Mr. Rajesh Kumar Agarwal	Executive	Member	3	3

### Human Resource Development & Industrial Relations

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

### Particulars of Employees

The statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure- 3** and forms part of this report. The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Acknowledgement

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

For and on behalf of the Board of Directors

**Pankaj Kejriwal**  
Managing Director  
(DIN: 00383635)

**Hari Prasad Agarwal**  
Director  
(DIN: 00266005)

Place: Kolkata  
Date: 7th May, 2019

## Annexure - 1

## FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2019

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

**I. Registration & other details:**

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

**II. Principal business activities of the Company**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Cement	23941	25.69

**III. Particulars of holding, subsidiary and associate companies**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Star Cement Limited (SCL) (Formerly Cement Manufacturing Company Limited) Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	100.00	2(46)

## IV. Share holding pattern

(Equity share capital breakup as percentage of total equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) *Individual/ HUF	-	1	1	0.00	-	1	1	0.00	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	2,73,46,399	2,73,46,399	100.00	-	2,73,46,399	2,73,46,399	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others:	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public shareholding (B) =(B) (1) + (B) (2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-	<b>2,73,46,400</b>	<b>2,73,46,400</b>	<b>100.00</b>	-

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

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Star Cement Limited*	2,73,46,400	100.00	-	2,73,46,400	100.00	-	-
	<b>Total</b>	<b>2,73,46,400</b>	<b>100.00</b>	<b>-</b>	<b>2,73,46,400</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

\* Star Cement Limited holds 100% share along with the nominee Ms. Edielanaphika Gabriela Suja War.

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

There are no changes in the Promoters' Shareholding during the Financial Year 2018-19.

(iv) Shareholding Pattern of top ten Shareholders

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	<b>Mr. Pankaj Kejriwal (Managing Director)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	
2	<b>Mr. Hari Prasad Agarwal (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	
3	<b>Mr. Rajesh Kumar Agarwal (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	
4	<b>Mr. Mangilal Jain (Independent Director)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	



Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
<b>5</b>	<b>Mr. Santanu Ray (Independent Director)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	
<b>6</b>	<b>Mr. Edmund Carmel Suja * (Non-Executive Director upto 17.10.2018)</b>						
	At the beginning of the year	01.04.2018		1	0.00	-	
	Changes during the year	12.11.2018	Transfer	1	0.00		
	At the end of the year	12.11.2018		-	-	-	-
<b>7</b>	<b>Ms. Edielanaphika Gabriela Suja War * (Additional Director w.e.f. 04.02.2019)</b>						
	At the beginning of the year	12.11.2018		1	0.00	-	
	Changes during the year			No Changes during the year			
	At the end of the year	31.03.2019		1	0.00	1	0.00
<b>8</b>	<b>Mr. Vivek Lahoti (Chief Financial Officer)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	
<b>9</b>	<b>Mr. Mohit Mahana (Company Secretary)</b>						
	At the beginning of the year	01.04.2018		-		-	
	Changes during the year						
	At the end of the year	31.03.2019		-		-	

\* Mr. Edmund Carmel Suja who was holding one share as nominee of Star Cement Limited, Holding Company expired on 17.10.2018 and hence his shares were transferred to Ms. Edielanaphika Gabriela Suja War on 12.11.2018, thus she is holding one share as nominee of Star Cement Limited, Holding Company.

## V. Indebtedness

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

(Amt. ₹/Lacs)

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

\*\* 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:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹/Lacs)
	Name	Mr. Pankaj Kejriwal	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	48.30	48.30
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	48.30	48.30
	Ceiling as per the Act	5% of the Net profit, calculated as per Section 198 of Companies Act, 2013 i.e. ₹54.48 Lacs	

### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹/Lacs)
		Mr. Santanu Ray	Mr. Mangilal Jain	Mr. Edmund Carmel Suja*	Ms. Edielanaphika Gabriela Suja War**	
1	Independent Directors					
	Fee for attending Board /Committee meetings	0.43	0.40	-	-	0.83
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.43	0.40	-	-	0.83
2	Other Non-Executive Directors					
	Fee for attending Board /Committee meetings	-	-	0.05	-	0.05
	Commission	-	-	-	-	-
	Others, (remuneration paid for availing professional services)	-	-	1.20	-	1.20
	Total (2)	-	-	1.25	-	1.25
	Total (B)=(1+2)	0.43	0.40	1.25	-	2.08
	Total Managerial Remuneration					50.38
	Overall ceiling as per the Act	11% of Net profit as calculated as per Section 198 of Companies Act, 2013 i.e. ₹119.86 Lacs				

\* Mr. Edmund Carmel Suja, Non Executive Director ceases to be director w.e.f. 17.10.2018.

\*\* Ms. Edielanaphika Gabriela Suja War, appointed as an Additional Director of the Company w.e.f. 04.02.2019.

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹/Lacs)
		Mr. Vivek Lahoti	Mr. Mohit Mahana	
	<b>Designation</b>	<b>CFO</b>	<b>CS</b>	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35.51	9.41	44.92
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>35.51</b>	<b>9.41</b>	<b>44.92</b>

## VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
There were no penalties/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.					

## Annexure 2

# REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

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

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

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

2. The composition of the CSR Committee:

Mr. Hari Prasad Agarwal	Chairman
Mr. Rajesh Kumar Agarwal	Non-Executive Director
Mr. Santanu Ray	Independent Director

3. Average Net Profit of the Company for last 3 financial years: ₹523.48 Lacs

4. Prescribed CSR expenditure (2% of amount) : ₹10.47 Lacs

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

a) Total amount to be spent for the financial year: ₹10.47 Lacs

b) Amount un-spent, if any: Nil

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

(₹ in Lacs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area or other 2. Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1 Direct expenditure on projects or programs, 2 Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
1.	<b>Education Project:</b> To provide non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya.	Education	Throughout the Country	11.00	11.00	11.00	Through implementing agency i.e. Friends of Tribal Society

\*Details of implementing Agency: Friends of Tribal Society

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

Place: Kolkata  
Date: 7th May, 2019

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

**Rajesh Kumar Agarwal**  
Director  
(DIN: 00223718)



Annexure 3

STATEMENT OF PARTICULARS OF EMPLOYEES

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

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lacs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Pradeep Purohit	Vice President - SCM	68.79	Permanent	B.COM; GDIMM	31	15.11.2004	52	T&I Limited	NIL	None
2	Mr. Vivek Lahoti	Assistant General Manager - Finance & Accounts	35.51	Permanent	CA	21	01.10.2008	44	Ambuja Cement Limited	NIL	None
3	Mr. Sanjay Kumar Chourasia	Manager - Quality Control	13.92	Permanent	B. Sc	20	06.09.2010	42	Adhunik Cement Ltd	NIL	None
4	Mr. Manoj Purohit	Assistant Manager - Logistic	11.14	Permanent	B.Com, Diploma in IIMM	11	16.11.2007	50	Self employed	NIL	None
5	Mr. Souren Ghosh	Senior Executive - Finance & Accounts	10.87	Permanent	B. Com	18	23.02.2007	40	Japha Comfeed India Private limited	NIL	None
6	Mr. Debanik Sarkar	Senior System Officer - IT	10.10	Permanent	BA, Diploma in Networking	13	20.06.2006	37	Xenities Infotech Private Limited	NIL	None
7	Mr. Mohit Mahana	Company Secretary & Compliance Officer	9.41	Permanent	B.Com, CS & LLB	9	15.09.2015	31	Great Eastern Energy Corporation Limited	NIL	None
8	Md. Shaikh Nazrul Islam	Assistant Manager - Branding	9.20	Permanent	B. Com	17	10.09.2014	41	DDB Marketing Services Pvt. Ltd	NIL	None
9	Mr. Utpal Borkakati	Assistant Manager-Finance & Accounts	8.63	Permanent	B.Com; M.Com	17	11.04.2009	45	Ozone Ayurvedis Ltd	NIL	None
10	Mr. Vishal Gaurav	Assistant Manager	8.42	Permanent	B.Com (Commerce); MBA (Finance & Mktg)	12	11.09.2007	35	Airtel	NIL	None

# Independent Auditors' Report

To the Members of  
**MEGHA TECHNICAL & ENGINEERS PRIVATE LIMITED**

## Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **Megha Technical & Engineers Private Limited** (the "Company"), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended, which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

performance changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and

qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.

### As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow

Statement dealt with by this Report are in agreement with the books of accounts;

- (d) In our opinion, the aforesaid 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For D. K. Chhajer & Co.**

*Chartered Accountants*

Firm Registration No.: 304138E

**Niraj K Jhunjhunwala**

*Partner*

Place: Kolkata

Date: May 7th, 2019

Membership No.: 057170



Annexure “A” to Independent Auditors’ Report

Referred to in Independent Auditors’ Report of even date to the members of Megha Technical & Engineers Private Limited on the financial statements for the year ended 31 March 2019

- i. In respect of the Company’s fixed assets:

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

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

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

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

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

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

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

c) There are no overdue amounts in respect of the loan granted to the body corporate listed in the

register maintained under section 189 of the Act.

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

v. The Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the order are not applicable to the Company.

vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.

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

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, goods and service tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	51.31	2008-09 & 2009-10	CESTAT
The Central Excise Act, 1944	Excise Duty	182.83	July'09 to March'14	Commissioner, Central Excise & Service Tax, Shiilong

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company has not issued any debentures.</li> <li>ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments)/term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.</li> <li>x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.</li> <li>xi. The Company has paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.</li> <li>xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.</li> <li>xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable</li> </ul> | <ul style="list-style-type: none"> <li>and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.</li> <li>xiv. According the information &amp; explanation given to us and the records of the Company examined by us, no money was raised through preferential allotment/ private placements of shares/fully/partly convertible debentures during the year under review, hence, the provisions of Clause 3(xiv) of the said order is not applicable to the Company.</li> <li>xv. According the information &amp; explanation given to us and the records of the Company examined by us, company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.</li> <li>xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</li> </ul> |
|--|--|

For D. K. Chhajer & Co.

Chartered Accountants

Firm Registration No.: 304138E

Niraj K Jhunjunwala

Partner

Place: Kolkata

Date: May 7th, 2019

Membership No.: 057170

## Annexure “B” to Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **Megha Technical & Engineers Private Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established

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

## Auditors' Responsibility

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

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For D. K. Chhajer & Co.**

*Chartered Accountants*

Firm Registration No.: 304138E

**Niraj K Jhunjhunwala**

*Partner*

Place: Kolkata

Date: May 7th, 2019

Membership No.: 057170

# Standalone Balance Sheet as at 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3(a)	1,912.14	2,129.63
(b) Capital work-in-progress		57.11	60.19
(c) Intangible assets	3(b)	0.04	0.05
(d) Financial assets			
(i) Investments	4	10,678.05	10,316.91
(ii) Loans	5	15,612.97	14,361.41
(iii) Other financial assets	6	26.03	25.90
(e) Deferred tax assets (net)	7	1,532.98	1,623.79
(f) Non-current tax asset (net)	8	152.35	134.37
(g) Other non-current assets	9	44.79	44.37
<b>Total non-current assets</b>		<b>30,016.46</b>	<b>28,696.62</b>
<b>(2) Current assets</b>			
(a) Inventories	10	185.62	217.66
(b) Financial assets			
(i) Trade receivables	11	148.78	71.82
(ii) Cash and cash equivalents	12	140.60	179.78
(iii) Loans	13	344.62	328.76
(c) Other current assets	14	995.70	1,113.06
<b>Total current assets</b>		<b>1,815.32</b>	<b>1,911.08</b>
<b>Total assets</b>		<b>31,831.78</b>	<b>30,607.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,734.64	2,734.64
(b) Other equity	16	28,771.42	27,526.18
<b>Total equity</b>		<b>31,506.06</b>	<b>30,260.82</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	17	30.44	41.02
(b) Employee benefit obligations	18	29.10	15.86
(c) Other non-current liabilities	19	56.11	71.36
<b>Total non-current liabilities</b>		<b>115.65</b>	<b>128.24</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		44.08	6.70
(ii) Other financial liabilities	21	99.04	137.03
(b) Employee benefit obligations	22	35.24	37.04
(c) Other current liabilities	23	31.71	37.87
<b>Total current liabilities</b>		<b>210.07</b>	<b>218.64</b>
<b>Total liabilities</b>		<b>325.72</b>	<b>346.88</b>
<b>Total equity and liabilities</b>		<b>31,831.78</b>	<b>30,607.70</b>
Summary of Significant accounting policies	1&2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K. Chhajer & Co.

Chartered Accountants

Firm Registration No.:304138E

Niraj K Jhunjunwala

Partner

Membership No.: 057170

Place: Kolkata

Date: 7th May, 2019

For and on behalf of the Board of Directors

Vivek Lahoti

Chief Financial Officer

Mohit Mahana

Company Secretary

Hari Prasad Agarwal

Director

DIN : 00266005

Pankaj Kejriwal

Managing Director

DIN : 00383635



## Statement of Standalone Profit and Loss for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue from operations	24	361.64	2,070.98
Other income	25	1,834.76	1,144.43
<b>Total income</b>		<b>2,196.40</b>	<b>3,215.41</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	85.08	772.02
(Increase)/Decrease in Inventories	27	(70.13)	240.29
Excise duty		-	96.57
Employee benefit expenses	28	598.81	852.53
Finance costs	29	0.02	40.55
Depreciation and amortisation expenses	30	202.91	188.90
Other expenses	31	290.05	697.31
<b>Total expenses</b>		<b>1,106.74</b>	<b>2,888.18</b>
<b>Profit before tax</b>		<b>1,089.66</b>	<b>327.23</b>
Tax expense	32		
- Current tax		163.02	97.97
- Deferred tax		(13.11)	-
<b>Profit for the year</b>		<b>939.75</b>	<b>229.26</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurement of post-employment benefit obligations	34	(2.52)	(4.85)
Income tax relating to above item		0.70	1.41
Changes in fair value of equity instruments (FVOCI)		361.14	872.16
Income tax relating to above item		(53.82)	(188.00)
<b>Other comprehensive income for the year, net of tax</b>		<b>305.50</b>	<b>680.72</b>
<b>Total comprehensive income for the year</b>		<b>1,245.25</b>	<b>909.99</b>
<b>Earnings per equity share: (Face value of ₹ 10/- each)</b>	33		
Basic earning per share (in ₹)		3.44	0.84
Diluted earning per share (in ₹)		3.44	0.84
Summary of Significant accounting policies	1&2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For D. K. Chhajer & Co.**

*Chartered Accountants*

Firm Registration No.:304138E

**Niraj K Jhunjunwala**

*Partner*

Membership No.: 057170

Place: Kolkata

Date: 7th May, 2019

**Vivek Lahoti**

Chief Financial Officer

**Mohit Mahana**

Company Secretary

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

**Hari Prasad Agarwal**

Director

DIN : 00266005

**Pankaj Kejriwal**

Managing Director

DIN : 00383635

## Standalone Statement of Changes in Equity for the year ended 31 March, 2019

### A. Equity share capital

(₹ in Lacs)

Particulars	Amount
As at 1 April, 2017	2,734.64
Changes in equity share capital	-
As at 31 March, 2018	2,734.64
Changes in equity share capital	-
As at 31 March, 2019	2,734.64

### B. Other equity

(₹ in Lacs)

Particulars	Reserves and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1 April, 2017	21,425.01	5,191.19	26,616.20
Profit for the year (a)	229.26	-	229.26
Other comprehensive income (net of tax) (b)	(3.44)	684.16	680.72
Total comprehensive income for the year (a + b)	225.82	684.16	909.98
Balance as at 31 March, 2018	21,650.83	5,875.35	27,526.18

(₹ in Lacs)

Particulars	Reserves and surplus	Items of other Comprehensive income	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1 April, 2018	21,650.83	5,875.35	27,526.18
Profit for the year (a)	939.74	-	939.74
Other comprehensive income (net of tax) (b)	(1.82)	307.32	305.50
Total comprehensive income for the year (a + b)	937.92	307.32	1,245.24
Balance as at 31 March, 2019	22,588.75	6,182.67	28,771.42

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K. Chhajer & Co.

Chartered Accountants

Firm Registration No.:304138E

Niraj K Jhunjunwala

Partner

Membership No.: 057170

Place: Kolkata

Date: 7th May, 2019

For and on behalf of the Board of Directors

Vivek Lahoti

Chief Financial Officer

Mohit Mahana

Company Secretary

Hari Prasad Agarwal

Director

DIN : 00266005

Pankaj Kejriwal

Managing Director

DIN : 00383635

## Standalone Cash Flow Statement for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax	1,089.66	327.23
Adjustments for :		
Depreciation & amortisation (refer note no. 30)	202.91	188.90
Interest income (refer note no. 25)	(1,824.09)	(1,136.84)
Interest expenses (refer note no. 29)	0.02	40.55
Government grant written off	-	0.40
Allowance for bad & doubtful debts	(8.94)	11.84
(Profit)/Loss on sale of property, plant and equipment	(1.31)	(0.63)
<b>Operating Profit before Working Capital changes</b>	<b>(541.75)</b>	<b>(568.55)</b>
<b>Adjustments for : (increase) / decrease</b>		
(Increase)/Decrease in Trade Receivables	(68.01)	900.83
(Increase)/Decrease in Inventories	32.04	439.19
(Increase)/Decrease in Other receivables	(1,150.06)	145.16
(Increase)/Decrease in Other assets	(0.56)	246.05
Increase/(Decrease) in Trade payables	37.38	(1,970.84)
Increase/(Decrease) in Other liabilities	(61.05)	(375.86)
<b>Cash Generated from Operations</b>	<b>(1,752.01)</b>	<b>(1,184.02)</b>
Income Tax paid	(130.20)	-
<b>Net Cash flow from Operating Activities</b>	<b>(1,882.21)</b>	<b>(1,184.02)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment (including WIP)	18.97	(5.22)
Interest received	1,824.08	1,136.84
Fixed Deposit/margin money given/matured	-	(0.15)
<b>Net Cash used in Investing Activities</b>	<b>1,843.05</b>	<b>1,131.47</b>
<b>C Cash Flow from Financing Activities</b>		
Interest paid	(0.02)	(40.55)
<b>Net Cash used in Financing Activities</b>	<b>(0.02)</b>	<b>(40.55)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(39.18)</b>	<b>(93.10)</b>
<b>Cash and Cash Equivalents (refer note no. 12)</b>		
<b>Opening Balance</b>	<b>179.78</b>	<b>272.88</b>
<b>Closing Balance</b>	<b>140.60</b>	<b>179.78</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For D. K. Chhajjar & Co.**

Chartered Accountants

Firm Registration No.:304138E

**Niraj K Jhunjhunwala**

Partner

Membership No.: 057170

Place: Kolkata

Date: 7th May, 2019

**Vivek Lahoti**

Chief Financial Officer

**Mohit Mahana**

Company Secretary

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

**Hari Prasad Agarwal**

Director

DIN : 00266005

**Pankaj Kejriwal**

Managing Director

DIN : 00383635

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note 1: Significant Accounting Policies for the year ended 31 March 2019

#### Corporate information

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

#### 1. Significant Accounting Policies

##### 1.1 Basis of Preparation

###### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

###### (ii) Historical Cost Convention

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

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

###### (iii) Current and non-current classification

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

###### (iv) Rounding of amounts

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

##### 1.2 Use of Estimates

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

##### 1.3 Property, plant and equipment

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

###### Capital Work In Progress

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

###### Expenditure during construction period

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

###### Depreciation

Depreciation on Property, plant and equipment is provided on written down value method for cement division and on

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

straight line method for power division in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV/SLM method so as to depreciate the initial cost down to the residual value over the estimated useful lives. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### 1.4 Inventories

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

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

Cost of Inventories excluding finished goods and work-in-progress is computed on weighted average basis.

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

### 1.5 Trade receivables

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

### 1.6 Investments and other financial assets

#### Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

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

#### Measurement

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

#### Debt instruments

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

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

#### Equity instruments

The company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through other comprehensive income. However where the company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

#### Impairment of financial assets

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset.

### 1.7 Financial liabilities

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

#### De-recognition of financial liabilities

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

### 1.8 Employee Benefits

#### (i) Short-term obligations

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

#### (ii) Defined Contribution Plan

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

#### (iii) Defined Benefit Plan

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

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

#### (iv) Other Long-term Benefits

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

### 1.9 Borrowing

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

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

### 1.10 Borrowing Costs

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

### 1.11 Trade and other payables

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

### 1.12 Impairment of non-financial assets

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

### 1.13 Intangible Asset

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

### 1.14 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (INR), which is Megha Technical & Engineers Private Limited's functional and presentation currency.

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

### 1.15 Taxes on Income

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

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

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

### 1.16 Revenue Recognition

Sales are recognised when control of the products has transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence / loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue for current year is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain / (loss). Revenue for previous year is inclusive of excise duty but net of sales tax/value added tax/goods and service tax, discounts and sales returns as applicable.

#### Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### 1.17 Government Grants / Subsidies

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

### 1.18 Research and Development Expenditure

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

### 1.19 Provisions and Contingencies

A provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

### 1.20 Segment Reporting

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

### 1.21 Cash & Cash Equivalents

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

### 1.22 Earnings Per Share

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

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

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

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

### 1.25 Lease

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

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

### 1.26 Dividends

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

### 1.27 Offsetting financial instruments

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

## RECENT ACCOUNTING DEVELOPMENTS

### Note 2 : Standards issued but not yet effective

#### (a) Ind AS 116 – “Leases”

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The Statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March 2020 to show the impact of adopting Ind AS 116.

#### (b) Appendix C, ‘Uncertainty over Income Tax Treatments’, to Ind AS 12, ‘Income Taxes’

This appendix was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- (i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or
- (ii) together as a group, depending on which approach better predicts the resolution of the uncertainty;
- (iii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- (iv) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- (v) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- (vi) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements. The Company intends to apply this appendix retrospectively, with the cumulative effect of initially applying the appendix recognised at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 3(a) - Tangible Assets

(₹ in Lacs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
<b>Gross Block</b>											
As at 1 April 2017	384.50	714.62	748.37	725.91	10.19	3.84	4.94	1.44	41.50	5.50	2,640.81
Additions	-	-	52.96	1.70	-	1.00	-	-	2.13	-	57.79
Disposals/deductions adjustments	-	-	-	-	-	-	-	-	5.09	-	5.09
<b>As at 31 March 2018</b>	<b>384.50</b>	<b>714.62</b>	<b>801.34</b>	<b>727.60</b>	<b>10.19</b>	<b>4.84</b>	<b>4.94</b>	<b>1.44</b>	<b>38.54</b>	<b>5.50</b>	<b>2,693.51</b>
Additions	-	4.07	-	-	-	1.00	1.82	-	2.58	-	9.47
Disposals/deductions/ adjustments	-	-	-	-	-	-	-	-	2.54	0.01	2.55
<b>As at 31 March 2019</b>	<b>384.50</b>	<b>718.69</b>	<b>801.34</b>	<b>727.60</b>	<b>10.19</b>	<b>5.84</b>	<b>6.76</b>	<b>1.44</b>	<b>38.58</b>	<b>5.49</b>	<b>2,700.43</b>
<b>Accumulated Depreciation</b>											
As at 1 April 2017	-	68.99	36.01	221.86	3.21	0.16	0.19	-	10.80	1.69	342.91
Charge for the year	-	62.31	34.38	112.81	1.99	1.01	0.69	-	7.09	0.69	220.97
Disposals/deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>131.30</b>	<b>70.39</b>	<b>334.67</b>	<b>5.20</b>	<b>1.17</b>	<b>0.88</b>	<b>-</b>	<b>17.89</b>	<b>2.38</b>	<b>563.88</b>
Charge for the year	-	57.33	56.34	102.91	1.01	0.81	1.10	-	4.81	0.24	224.55
Disposals/deductions/ adjustments	-	-	-	-	-	-	-	-	0.14	-	0.14
<b>As at 31 March 2019</b>	<b>-</b>	<b>188.63</b>	<b>126.73</b>	<b>437.58</b>	<b>6.21</b>	<b>1.98</b>	<b>1.98</b>	<b>-</b>	<b>22.56</b>	<b>2.62</b>	<b>788.29</b>
<b>Net Block</b>											
As at 31 March 2018	384.50	583.32	730.95	392.93	4.99	3.67	4.06	1.44	20.65	3.12	2,129.63
As at 31 March 2019	384.50	530.06	674.61	290.02	3.98	3.86	4.78	1.44	16.02	2.87	1,912.14

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 3(b) - Intangible assets

(₹ in Lacs)

Particulars	Intangible Assets
<b>Gross Block</b>	
As at 1 April 2017	0.22
Additions	-
Disposals/deductions/adjustments	-
<b>As at 31 March 2018</b>	<b>0.22</b>
Additions	-
Disposals/deductions/adjustments	-
<b>As at 31 March 2019</b>	<b>0.22</b>
<b>Accumulated Amortisation</b>	
As at 1 April 2017	0.14
Charge for the year	0.03
Disposals/deductions/adjustments	-
<b>As at 31 March 2018</b>	<b>0.17</b>
Charge for the year	0.01
Disposals/deductions/adjustments	-
<b>As at 31 March 2019</b>	<b>0.18</b>
<b>Net Block</b>	
<b>As at 31 March 2018</b>	<b>0.05</b>
<b>As at 31 March 2019</b>	<b>0.04</b>

#### Note :

During the year, the Company has sold property, plant and equipment amounting to ₹9.54 lacs (March 31, 2018 - ₹5.93 lacs).

### Note: 4 - Investment in fellow subsidiary

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Investments in unquoted equity shares (FVOCI)		
Star Cement Meghalaya Limited	10,678.05	10,316.91
37,29,162 equity shares (37,29,162 as at 31 March 2018) of ₹ 10 each fully paid up		
<b>Total</b>	<b>10,678.05</b>	<b>10,316.91</b>
<b>Total non-current investments</b>		
Aggregate amount of unquoted investments	10,678.05	10,316.91

### Note: 5 - Loans - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
- Security deposits	0.51	0.66
- Loans to related parties	15,612.46	14,360.75
<b>Total</b>	<b>15,612.97</b>	<b>14,361.41</b>

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

### Note: 6 - Other financial assets - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Deposits with original maturity of more than 12 months	26.03	25.90
<b>Total</b>	<b>26.03</b>	<b>25.90</b>



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 7 - Deferred tax assets (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax assets</b>		
Expenditure allowable for tax purposes upon payment	17.90	-
MAT credit entitlement	3,031.22	3,082.02
<b>Deferred tax liabilities</b>		
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortization charged	(4.09)	-
Fair valuation of equity shares	(1,512.05)	(1,458.23)
<b>Deferred tax assets</b>	<b>1,532.98</b>	<b>1,623.79</b>

Mat Credit Entitlement of ₹49.26 Lacs (₹56.68 Lacs as at 31 March 18) adjusted with Provision for taxation.

### Note: 8 - Non-current tax assets (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation of ₹686.24 lacs as at 31 March, 2019, ₹523.32 lacs as at 31 March, 2018)	152.35	134.37
<b>Total</b>	<b>152.35</b>	<b>134.37</b>

### Note: 9 - Other non-current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Deposits with statutory authority	26.76	26.81
Capital advances	18.03	17.56
<b>Total</b>	<b>44.79</b>	<b>44.37</b>

### Note: 10 - Inventories

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Raw materials	4.70	29.71
Finished goods (Including in transit ₹18.76 lacs, as on 31 March 2018: ₹ Nil)	81.10	10.97
Fuels, packing materials, etc.	13.77	80.46
Stores and spares parts	86.05	96.52
<b>Total</b>	<b>185.62</b>	<b>217.66</b>

### Note: 11 - Trade receivables

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>a) Secured</b>		
Considered good	103.04	23.52
	<b>103.04</b>	<b>23.52</b>
<b>b) Unsecured</b>		
Considered good	45.74	48.30
Considered doubtful	81.28	90.22
Less: Allowance	(81.28)	(90.22)
	<b>45.74</b>	<b>48.30</b>
<b>Total</b>	<b>148.78</b>	<b>71.82</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 12 - Cash and cash equivalents

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Cash in hand	7.09	7.23
Cheques in hand	43.61	81.72
Balances with banks		
- Current accounts	89.90	90.83
<b>Total</b>	<b>140.60</b>	<b>179.78</b>

### Note: 13 - Loans - current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
- Security deposit	344.62	328.76
<b>Total</b>	<b>344.62</b>	<b>328.76</b>

### Note: 14 - Other current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advances to suppliers	5.94	7.74
Advances for services and expenses	0.65	9.34
Advances to employees	9.85	11.15
Less: Allowance for doubtful advances	(7.02)	(7.02)
Prepaid expenses	13.21	19.09
Subsidies/ incentives receivable from central/ state government	206.67	209.82
Balances with/ receivable from statutory/ government authorities	766.40	862.94
<b>Total</b>	<b>995.70</b>	<b>1,113.06</b>

### Note: 15 - Equity share capital

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>1. Authorised capital</b>		
3,50,00,000 (3,50,00,000 as at 31 March 2018) Equity Shares of ₹ 10/- each	3,500.00	3,500.00
<b>2. Issued, subscribed &amp; fully paid up shares</b>		
2,73,46,400 (2,73,46,400 as at 31 March 2018) Equity Shares of ₹ 10/- each fully paid up in cash.	2,734.64	2,734.64

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

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of Equity shares is 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 number of shares outstanding

Equity shares	31 March 2019	31 March 2018
	No. of shares	No. of shares
At the beginning of the year	2,73,46,400	2,73,46,400
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>2,73,46,400</b>	<b>2,73,46,400</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### c) Shares held by Holding Company

Name of the Holding Company	31 March 2019	31 March 2018
	No. of shares	No. of shares
Star Cement Limited (Formerly Cement Manufacturing Company Limited)	2,73,46,400	2,73,46,400

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

Name of the Shareholders	31 March 2019	31 March 2018
	No. of Shares % of holding	No. of Shares % of holding
Star Cement Limited (Formerly Cement Manufacturing Company Limited)	2,73,46,400	2,73,46,400
	(100%)	(100%)

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

### Note: 16 - Other equity

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Reserve and surplus</b>		
<b>Retained earnings</b>		
Opening balance	21,650.83	21,425.01
Profit/(loss) for the year	939.74	229.26
<b>Items of other comprehensive income directly recognised in retained earnings</b>		
Remeasurements of post-employment benefit obligations (net of tax)	(1.82)	(3.44)
	<b>22,588.75</b>	<b>21,650.83</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	5,875.35	5,191.19
Change in fair value of equity instruments (FVOCI)	361.14	872.16
Deferred tax	(53.82)	(188.00)
	<b>6,182.67</b>	<b>5,875.35</b>
<b>Total Other Equity</b>	<b>28,771.42</b>	<b>27,526.18</b>

#### Equity instruments through other comprehensive income

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

### Note: 17 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Security deposit	30.44	41.02
<b>Total</b>	<b>30.44</b>	<b>41.02</b>

### Note: 18 - Employee benefit obligations

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Provisions for employee benefits</b>		
- Gratuity	29.10	15.86
<b>Total</b>	<b>29.10</b>	<b>15.86</b>

### Note: 19 - Other non current liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Deferred government grant	56.11	71.36
<b>Total</b>	<b>56.11</b>	<b>71.36</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 20 - Trade payables

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	44.08	6.70
<b>Total</b>	<b>44.08</b>	<b>6.70</b>

### Note: 21 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Others		
-Retention money	7.21	9.39
-Salary and bonus to employees	26.74	23.14
-Other liabilities	65.09	104.50
<b>Total</b>	<b>99.04</b>	<b>137.03</b>

### Note: 22 - Employee benefit obligation

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Provision for employee benefits:-		
- Leave encashment	31.35	30.18
- Gratuity	3.89	6.86
<b>Total</b>	<b>35.24</b>	<b>37.04</b>

### Note: 23 - Other current liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Current portion of Deferred government grant	15.13	21.53
Statutory Liabilities	13.27	14.53
Advances from customers	3.31	1.81
<b>Total</b>	<b>31.71</b>	<b>37.87</b>

### Note: 24 - Revenue from operations

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Sale of products	92.92	2,062.63
Other operating income		
-Shortage recovery of cement	-	8.35
-Others	268.72	-
<b>Total</b>	<b>361.64</b>	<b>2,070.98</b>

### Note: 25 - Other income

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest income on financial assets measured at amortised cost		
- Loans	1302.00	1,136.84
Dividend Income	522.08	-
Miscellaneous income	10.68	7.59
<b>Total</b>	<b>1834.76</b>	<b>1144.43</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 26 - Cost of materials consumed

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	29.71	133.89
Add : Purchases	60.07	667.84
	89.78	801.73
Less : Inventory at the end of the year	4.70	29.71
<b>Total</b>	<b>85.08</b>	<b>772.02</b>

### Note: 27 - (Increase)/ decrease in inventories

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Opening stock	10.97	251.26
Closing stock	81.10	10.97
<b>(Increase) / decrease</b>	<b>(70.13)</b>	<b>240.29</b>

### Note: 28 - Employee benefit expenses

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Salaries and wages	559.19	796.46
Contribution to provident fund and other funds	31.95	34.24
Welfare expenses	7.67	21.83
<b>Total</b>	<b>598.81</b>	<b>852.53</b>

### Note: 29 - Finance costs

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest expense		
- On Others	0.02	40.55
<b>Total</b>	<b>0.02</b>	<b>40.55</b>

### Note: 30 - Depreciation and amortisation expenses

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Depreciation on property, plant and equipment (Refer Note 3(a))	202.90	188.87
Amortisation on intangible assets (Refer Note 3(b))	0.01	0.03
<b>Total</b>	<b>202.91</b>	<b>188.90</b>

Depreciation is net off amortisation of government grants amounting to ₹21.65 as at 31 March, 2019 (₹32.11 lacs as at 31 March, 2018).

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 31 - Other expenses

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Consumption of stores & spare parts	12.11	19.60
Packing materials	13.98	63.73
Power & fuel	23.04	141.59
Repairs & maintenance		
- Building	6.91	5.99
- Plant & machinery	1.84	0.03
- Others	4.70	12.06
Insurance	14.23	25.49
Rent, rates & taxes	10.56	58.63
Heavy vehicle / equipment running expenses	13.80	19.35
Research and Development Expenses	1.09	1.47
Charity & donation	-	0.11
Corporate social responsibility (Refer note 40)	11.00	25.00
Travelling and conveyance	39.22	55.18
Advertisement & publicity	29.51	20.26
Sales promotion expenses	0.32	19.65
Outward freight charges	41.53	115.63
Commission, discount & incentives on sale	0.21	16.10
Miscellaneous expenses (Refer note 31.1)	66.00	97.44
<b>Total</b>	<b>290.05</b>	<b>697.31</b>

Note 31.1 : Miscellaneous expenses include expense paid to auditor (Refer note 41)

### Note: 32 - Income Tax expense

#### (a) Amount recognized in Profit or Loss

(₹ in Lacs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>(a) Income tax expense</b>		
(i) Current tax		
Current tax on profits for the year	163.02	97.97
<b>Total current tax expense</b>	<b>163.02</b>	<b>97.97</b>
(ii) Deferred tax		
Deferred tax expense	(13.11)	-
<b>Total deferred tax expense</b>	<b>(13.11)</b>	<b>-</b>
<b>Income tax expenses</b>	<b>149.91</b>	<b>97.97</b>

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lacs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before tax	1,089.66	327.23
<b>Tax at the Indian tax rate of 27.82% (2017-18 - 33.063%)</b>	<b>303.14</b>	<b>108.19</b>
Differences on which no deferred tax has been recognised	-	(15.41)
Items not deductible/taxable under tax	5.12	5.19
Impact of change in tax rate during the year	(145.24)	-
Tax credit of earlier years reversed	(13.11)	-
<b>Income tax expenses</b>	<b>149.91</b>	<b>97.97</b>



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

- (c) The tax rate used for the year 2017-18 and 2018-19 reconciliation above is the corporate tax rate 33.063 (30% + surcharge 7% + education cess 3%) and 27.82% (25% + surcharge 7% + education cess 4%) respectively payable on taxable profit under the Income Tax Act, 1961.

### (d) Unrecognised temporary differences

(₹ in Lacs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Unrecognised Deferred tax asset on temporary differences	-	7.50

## Note: 33 - Earnings per share

### (a) Basic earnings per share

Particulars	31 March 2019	31 March 2018
Basic earnings per share attributable to the equity holders of the Company (in ₹)	3.44	0.84

### (b) Diluted earnings per share

Particulars	31 March 2019	31 March 2018
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	3.44	0.84

### (c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Profit attributable to equity holders of the company used in calculating basis earnings per share	939.75	229.26
Profit attributable to equity holders of the company used in calculating diluted earnings per share	939.75	229.26

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

Particulars	31 March 2019	31 March 2018
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,73,46,400	2,73,46,400
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,73,46,400	2,73,46,400

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

### (a) Leave obligations and Leave travel allowance

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Leave obligations not expected to be settled within the next 12 months	29.53	28.30

# Notes to Standalone Financial Statement for the year ended 31 March, 2019

## (b) Post-employment obligations

### Gratuity

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

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

(₹ in Lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2017</b>	<b>56.48</b>	<b>(29.98)</b>	<b>26.50</b>
Current service cost	5.99	-	5.99
Interest expense/(income)	4.11	(2.32)	1.78
<b>Total amount recognised in profit or loss</b>	<b>10.10</b>	<b>(2.32)</b>	<b>7.77</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.63)	(0.63)
Actuarial (gain)/loss from change in financial assumptions	(1.46)	-	(1.46)
Actuarial (gain)/loss from unexpected experience	6.94	-	6.94
<b>Total amount recognised in other comprehensive income</b>	<b>5.48</b>	<b>(0.63)</b>	<b>4.85</b>
Employer contributions/ premium paid	-	(16.41)	(16.40)
Benefits paid	(6.98)	6.98	-
<b>31 March 2018</b>	<b>65.08</b>	<b>(42.36)</b>	<b>22.72</b>

(₹ in Lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2018</b>	<b>65.08</b>	<b>(42.36)</b>	<b>22.72</b>
Current service cost	6.93	-	6.93
Interest expense/(income)	4.70	(3.26)	1.44
<b>Total amount recognised in profit or loss</b>	<b>11.63</b>	<b>(3.26)</b>	<b>8.37</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.51	0.51
Actuarial (gain)/loss from change in financial assumptions	0.33	-	0.33
Actuarial (gain)/loss from unexpected experience	1.68	-	1.68
<b>Total amount recognised in other comprehensive income</b>	<b>2.01</b>	<b>0.51</b>	<b>2.52</b>
Employer contributions/ premium paid	-	(0.62)	(0.62)
Benefits paid	(8.15)	8.15	-
<b>31 March 2019</b>	<b>70.57</b>	<b>(37.58)</b>	<b>32.99</b>

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2019	31 March 2018
Discount rate	7.70%	7.75%
Expected return on plan asset	7.70%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal Rate	1%-8%	1%-8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### (iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(64.47)	77.64	(59.71)	71.31
Salary growth rate (-/+ 1%)	(77.29)	64.74	70.91	(60.04)
Withdrawal rate (-/+ 1%)	(71.55)	69.46	65.99	(64.04)

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

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

### (iv) The major categories of plans assets

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

### (v) Risk exposure

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

#### Investment risk:

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

#### Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

#### Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 are ₹9.44 lacs.

The weighted average duration of the defined benefit obligation is 5.98 years (31 March 2018: 5.69 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lacs)

Particulars	Less than a year	Between 2-5 years	Over 5 years
31 March 2019	3.89	2.27	29.02
31 March 2018	4.13	18.82	35.83

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 35 - Fair Value Measurement

#### Financial instruments by category

(₹ in Lacs)

Particulars	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments in unquoted equity instruments	-	10,678.05	-	-	10,316.91	-
Security deposits	-	-	345.14	-	-	329.42
Other deposit	-	-	26.03	-	-	25.90
Loans	-	-	15,612.46	-	-	14,360.75
Trade receivable	-	-	148.78	-	-	71.82
Cash and cash equivalent	-	-	140.60	-	-	179.78
	-	10,678.05	16,273.01	-	10,316.91	14,967.66
<b>Financial liabilities</b>						
Security deposits	-	-	30.44	-	-	41.02
Trade payable	-	-	44.08	-	-	6.70
Retention money	-	-	7.21	-	-	9.39
Salary and bonus to employees	-	-	26.74	-	-	23.14
Other liabilities	-	-	65.09	-	-	104.50
	-	-	173.56	-	-	184.74

#### (i) Fair value hierarchy

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

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

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

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

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	-	-	10,678.05	-	-	10,316.91
<b>Total financial assets</b>	-	-	10,678.05	-	-	10,316.91

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### (iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security Deposits and margin money	26.55	26.55	26.56	26.56
<b>Total financial assets</b>	<b>26.55</b>	<b>26.55</b>	<b>26.56</b>	<b>26.56</b>
<b>Financial liabilities</b>				
Security Deposit	30.44	30.44	41.02	41.02
<b>Total financial liabilities</b>	<b>30.44</b>	<b>30.44</b>	<b>41.02</b>	<b>41.02</b>

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

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

#### Significant estimates

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

## Note: 36 - Capital Management

### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

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

#### (i) Financing arrangements

The Company has no borrowings and hence the undrawn borrowing facilities at the end of the reporting period is nil.

#### Maturities of financial liabilities

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

### Contractual maturities of financial liabilities - 31 March, 2019\* (₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	44.08	-	-	-	44.08
Other liabilities	99.04	-	-	-	99.04
<b>Total financial liabilities</b>	<b>143.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.12</b>

### Contractual maturities of financial liabilities - 31 March, 2018\* (₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payable	6.70	-	-	-	6.70
Other liabilities	137.03	-	-	-	137.03
<b>Total financial liabilities</b>	<b>143.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.73</b>

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

### Note: 37 - Financial risk management

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

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

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

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### i) Trade receivables

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

(₹ in Lacs)

Particulars	Not due	Less than 6 months	More than 6 Months and upto 1 years	More than 1 years	Provision	Total
Trade receivable as on 31 March, 2019	105.08	-	-	124.98	(81.28)	148.78
Trade receivable as on 31 March, 2018	-	-	139.60	22.44	(90.22)	71.82



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### ii) Financial instruments and deposits

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

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March, 2019 and 31 March, 2018 is the carrying amounts as illustrated in Note 35.

### (ii) Interest rate risk & Interest rate risk exposure

The Company has no borrowings and hence the undrawn borrowing facilities at the end of the reporting period is nil. Hence, interest rate risk is not applicable.

### (iii) Price risk

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

#### Sensitivity

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

Particulars	Impact on total comprehensive income before tax	
	31 March 2019	31 March 2018
Increase by 5% (2018: 5%)	533.90	515.85
Decrease by 5% (2018: 5%)	(533.90)	(515.85)

\* Holding all other variables constant

## Note: 38 - Related Party Disclosures

### I. Names of the Related parties where control exists

Sl. No.	Names of the Related parties where control exists	Nature of relationship
A	Star Cement Limited (Formerly Cement Manufacturing Company Limited) (SCL)	Holding Company
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
	Meghalaya Power Limited (MPL)	Fellow Subsidiary
B	<b>Other related parties</b>	
	NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	Star Century Global Cement Private Limited	Fellow Subsidiary
	<b>Key Management Personnel</b>	
	Mr. Pankaj Kejriwal	Managing Director
	Mr. Vivek Lahoti	Chief Financial Officer
	Mr. Mohit Mahana	Company Secretary
	<b>Key Management Personnel of Parent Company</b>	
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Sanjay Kumar Gupta	Chief Executive Officer
	Mr. Dilip Kumar Agarwal	Chief Financial Officer (upto 13.11.17)
	Mr. Manoj Agarwal	Company Secretary (upto 02.08.17), Chief Financial Officer w.e.f. 14.11.17
	Mr. Debabrata Thakurta	Company Secretary w.e.f. 03.08.17

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### I. Names of the Related parties where control exists

Sl. No.	Names of the Related parties where control exists	Nature of relationship
<b>B</b>	<b>Other related parties (contd...)</b>	
	<b>Relatives of Key Management Personnel of Parent Company</b>	
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	<b>Enterprises influenced by KMP of parent company</b>	
	Nefa Udyog (NU)	Enterprises influenced by KMP
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
	Profound Cement Work Limited (Formerly Star India Cement Limited) (PCWL)	Enterprises influenced by KMP

### II. Disclosure of transactions between the Company and the related parties and the status of their outstanding balances:

(₹ in Lacs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries		Key Management Personnel	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>1</b>	<b>Purchase Transactions</b>						
	SCL	5.17	4.94	-	-	-	-
	SCML	-	-	78.83	922.76	-	-
	MPL	-	-	18.34	100.74	-	-
<b>2</b>	<b>Sale Transactions</b>						
	SCL	7.78	-	-	-	-	-
	SCML	-	-	0.14	-	-	-
	MPL	-	-	0.01	-	-	-
<b>3</b>	<b>Services Received</b>						
	SCL	-	0.77	-	-	-	-
	SCML	-	-	-	1.19	-	-
	NU	-	-	0.50	-	-	-
<b>4</b>	<b>Loans Given</b>						
	SCL	1,550.00	425.00	-	-	-	-
<b>5</b>	<b>Loans Received Back</b>						
	SCL	257.00	490.00	-	-	-	-
	SCML	-	-	-	600.00	-	-
<b>6</b>	<b>Interest Received</b>						
	SCL	1,233.16	1,034.53	-	-	-	-
	MPL	-	-	49.20	43.95	-	-
	SCML	-	-	-	38.60	-	-
<b>7</b>	<b>Remuneration Paid</b>						
	Mr. Pankaj Kejriwal	-	-	-	-	48.30	40.20
	Mr. Vivek Lahoti	-	-	-	-	35.51	33.40
	Mr. Mohit Mahana	-	-	-	-	9.41	7.72

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

(₹ in Lacs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries	
		2018-19	2017-18	2018-19	2017-18
	Balance Outstanding				
A	Advance to Suppliers				
	MPL	-	-	-	6.19
B	Sundry Creditors				
	MPL	-	-	12.10	-
C	Loans Given				
	SCL	15,112.46	13,860.75	-	-
	MPL	-	-	500.00	500.00
D	Share Capital				
	SCL	2,734.64	2,734.64	-	-
E	Investments				
	SCML	-	-	10,678.05	10,316.91

\* Investment measured at fair value.

### III. Key management personnel compensation

(₹ in Lacs)

Particulars	2018-19	2017-18
Short-term employee benefits	93.22	81.32
Post-employment benefits *	-	-
Long-term employee benefits*	-	-
<b>Total compensation</b>	<b>93.22</b>	<b>81.32</b>

#### Note :

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

### Note: 39 - Contingent Liabilities & Commitments

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Claims against the company not acknowledged as debts- Excise / VAT / Income Tax matters etc.	264.03	259.04
Solvent surety furnished to Excise Department against differential excise duty refund [Refer (a) below]	653.46	653.46

- (a) The Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12 September, 2012, has directed the Excise Department to release 50% of the disputed amount of excise duty against furnishing of solvent surety. Based on the said judgment of the Hon'ble High Court, the Company has furnished solvent surety to the excise department against the refund of 50% of differential excise duty.
- (b) Based on legal opinion / decisions in similar cases, the Management believes that the company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

### Note: 40 - Corporate Social Responsibility

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

a) Gross Amount required to be spent by the Company during the year is ₹10.47 lacs (31 March 2018: ₹20.99 Lacs).

b) Amount spent during the year on: (₹ in Lacs)

Nature of Expenditure	2018-19	2017-18
Education	11.00	25.00
<b>Total</b>	<b>11.00</b>	<b>25.00</b>

### Note: 41 - Payment to Auditors

(₹ in Lacs)

Particulars	2018-19	2017-18
<b>As Auditor</b>		
- Audit Fees	2.50	2.50
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

### Note: 42 - Segment reporting

(₹ in Lacs)

Sl. No.	Particulars	2018-19				2017-18			
		Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total
1	External Revenue	-	354.55	-	354.55	-	2,050.19	-	2,050.19
	Inter Segment Adjustment	7.09	-	-	7.09	20.79	-	-	20.79
	Total Revenue	7.09	354.54	-	361.64	20.79	2,050.19	-	2,070.98
2	Results Profit/ (Loss)	(55.92)	(869.19)	-	(925.11)	(58.11)	(615.77)	-	(673.88)
3	Interest & Finance Charges (Net)	-	-	2,103.46	2,103.46	-	-	1,103.24	1,103.24
4	Other un-allocable expenses net of unallocable income	-	-	(88.70)	(88.70)	-	-	(102.13)	(102.13)
5	Total Profit before Tax	-	-	-	1,089.66	-	-	-	327.23
6	Other Information								
	-Segment Assets	140.28	21,013.45	10,678.05	31,831.78	196.20	20,094.58	10,316.91	30,607.69
	-Segment Liabilities	-	325.71	-	325.71	-	346.88	-	346.88
	-Capital Expenditure	-	(3.15)	-	(3.15)	-	(13.44)	-	(13.44)
	-Depreciation	53.85	149.06	-	202.91	53.92	134.98	-	188.90

#### Notes :

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

Cement - Manufacturing of Cement

Power - Generation of Power

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

### Note: 43 - Micro, Small and Medium Enterprises

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 44 -

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

### Note: 45 -

The financial statements are approved by the Audit Committee at its meeting held on 7th May, 2019 and by the Board of Directors on the same date.

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The accompanying notes are an integral part of the financial statements

As per our report of even date

**For D. K. Chhajer & Co.**

*Chartered Accountants*

Firm Registration No.:304138E

**Niraj K Jhunjhunwala**

*Partner*

Membership No.: 057170

Place: Kolkata

Date: 7th May, 2019

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

**Vivek Lahoti**

Chief Financial Officer

**Mohit Mahana**

Company Secretary

**Hari Prasad Agarwal**

Director

DIN : 00266005

**Pankaj Kejriwal**

Managing Director

DIN : 00383635

## NOTES

A [TRISYS](#) PRODUCT  
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