

## INDEPENDENT AUDITORS' REPORT

To the members of TALAVADI CEMENTS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of TALAVADI CEMENTS LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

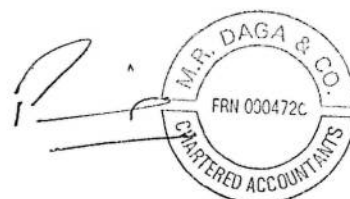
Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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



## Opinion

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, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) In our opinion, the company has reasonably adequate internal financial controls with reference to financial statements in place providing operating effectiveness of such controls.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Satna (M.P.)  
Date: 05-05-2016

For and on behalf of  
**M.R. Daga & Co.**  
Chartered Accountants



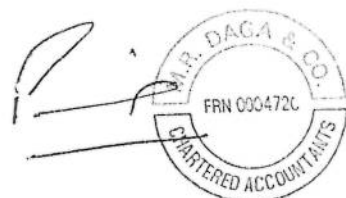
Pankaj Daga  
(M.No.404056)  
Partner

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 of our report of even date on the accounts for  
The year ended 31st March 2016)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
(b) According to the information and explanations given to us the fixed assets were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.  
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the paragraph 3 of the order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the paragraph 3 of the order is not applicable.
- (iii) The company has not granted any secured or unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act') . Accordingly the requirements of clauses (iii) a to c of the paragraph 3 of the order are not applicable.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public, hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the companies Act,2013 and the rules framed there under are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013.
- (vii) (a) The Company does not fall under the purview of the Provident Fund Act, 1952 and the Employees State Insurance Act, 1948. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, value added tax, cess and other statutory dues were outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us, the Company has no disputes in case of dues of Sales tax, income tax, Service tax, duty of Custom, duty of Excise, value added tax and Cess.
- (viii) The Company has not taken any loan or borrowings from a financial institution, bank or government and not issued any debentures and hence this clause is not applicable.



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- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans and hence this clause is not applicable.
- (x) In our opinion and to the best of our information and according to the explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid or provided any managerial remuneration during the year and hence the provisions of section 197 read with Schedule V of the companies Act are not applicable.
- (xii) The provisions of any special statue applicable to Nidhi Company are not applicable to the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the Accounting Standard (AS) 18 "Related Party Disclosures".
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence requirement of section 42 of the companies Act, 2013 are not applicable.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him.
- (xvi) The company is not required to be registered under the section 45-IA of Reserve Bank of India Act, 1934.

For and on behalf of  
**M.R. Daga & Co.**  
Chartered Accountants

  
Pankaj Daga  
(M.No.404056)  
Partner



Place: Satna (M.P.)  
Date: 05-05-2016

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Talavadi Cements Limited** for the year ended 31 March 2016, we report that:

We have audited the internal financial controls over financial reporting of **Talavadi Cements Limited** as at 31<sup>st</sup> March 2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**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 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 and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

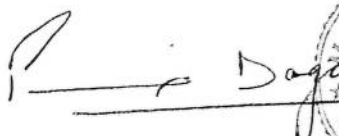

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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 the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 ICAI.

For M R DAGA & COMPANY  
Chartered Accountants

Pankaj Daga  
Partner  
(M.No. - 404056)

Place: Satna (M.P.)  
Date: 05-05-2016

TALAVADI CEMENTS LIMITED  
CIN : U72900WB1995PLC099355

BALANCE SHEET as at 31st March, 2016

	Note No.	As at March 31, 2016	(in Rs.) As at March 31, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	2.1	6,00,00,000	6,00,00,000
Reserves and Surplus	2.2	2,65,05,782	2,35,54,209
		<u>8,65,05,782</u>	<u>8,35,54,209</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Deferred Tax Liabilities (Net)	2.3	58,97,294	61,45,238
Long-Term Provisions		-	-
		<u>58,97,294</u>	<u>61,45,238</u>
<b><u>CURRENT LIABILITIES</u></b>			
Other Current Liabilities	2.4	4,19,551	50,345
		<u>4,19,551</u>	<u>50,345</u>
<b>TOTAL</b>		<u><u>9,28,22,627</u></u>	<u><u>8,97,49,792</u></u>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
<b>Fixed Assets</b>			
Tangible Assets	2.5	3,52,89,209	3,72,49,777
Intangible assets		-	-
Capital work-in-progress		11,99,504	11,99,504
		<u>3,64,88,713</u>	<u>3,84,49,281</u>
Non-Current Investments	2.6	10,000	10,000
Long-Term Loans and Advances	2.7	4,15,58,134	4,15,74,593
Other Non-Current Assets	2.9	50,42,608	50,42,608
		<u>4,66,10,742</u>	<u>4,66,27,201</u>
<b><u>CURRENT ASSETS</u></b>			
Current Investments	2.6	45,00,000	-
Cash and Bank Balances	2.8	39,84,482	29,52,565
Short-Term Loans and Advances	2.7	9,84,386	16,80,735
Other Current Assets	2.9	2,54,304	40,010
		<u>97,23,172</u>	<u>46,73,310</u>
<b>TOTAL</b>		<u><u>9,28,22,627</u></u>	<u><u>8,97,49,792</u></u>

Significant Accounting Policies 1  
The Notes are an integral part of the Financial Statements

As per our Report annexed.

For M.R. Daga & Co.

Chartered Accountants

Pankaj Daga

Partner

(Membership No. 0404056)



Directors

*B. R. Nahar*  
B. R. NAHAR  
DIN:00049895

*M. K. Mehta*  
M. K. MEHTA  
DIN:00085694

Place : *Satna*  
Dated : *05-05-2016*

Place : *Kolkata*  
Dated : *04-05-2016*

**TALAVADI CEMENTS LIMITED**  
CIN : U72900WB1995PLC099355

**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2016**

(in Rs.)

	Note No.	For the year ended 31st Mar, 2016	For the year ended 31st Mar, 2015
<b>INCOME</b>			
Revenue from Operations (Gross)		-	-
Less: Excise duty		-	-
Revenue from Operations (Net)		-	-
Other income	2.10	1,01,05,116	1,09,61,366
<b>Total Revenue</b>		<b>1,01,05,116</b>	<b>1,09,61,366</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		-	-
Purchases of Traded Goods		-	-
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods		-	-
Employee Benefits Expense		-	-
Finance Costs	2.11	-	-
Other Expenses	2.12	48,04,467	89,65,993
<b>Total Expenses</b>		<b>48,04,467</b>	<b>89,65,993</b>
<b>Profit before Tax, Depreciation and Amortisation</b>		53,00,649	19,95,373
Depreciation and Amortisation Expense	2.13	19,60,568	19,60,569
<b>Profit before Tax &amp; Exceptional Items</b>		33,40,081	34,804
Exceptional Items		-	-
Prior Period Items ( Excess Provision/Refund of Income tax relating to earlier years)		-	2,21,676
<b>Profit before Tax</b>		<b>33,40,081</b>	<b>2,56,480</b>
Tax Expense:			
Current Tax		4,18,255	6,632
Add: MAT Credit Utilized		2,18,197	-
Less: MAT Credit Entitlement		-	(6,632)
Deferred Tax		(2,47,944)	1,16,955
<b>Profit for the year</b>		<b>29,51,573</b>	<b>1,39,525</b>
Earnings Per Share (Nominal value Rs.10 /- each)			
Weighted Average Number of Ordinary Shares outstanding during the year		60,00,000	60,00,000
Basic and Diluted earnings per share (in Rupees)		0.49	0.02

Significant Accounting Policies

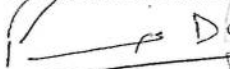
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The Notes are an integral part of the Financial Statements

As per our Report annexed.

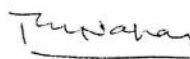
For M.R. Daga & Co.

Chartered Accountants

  
Pankaj Daga  
Partner  
(Membership No. 0404056)



Directors

  
B. R. NAHAR  
DIN:00049895

  
M. K. MEHTA  
DIN:00085694

Place : Satna  
Dated : 05-05-2016

Place : Kolkata  
Dated : 04-05-2016



**TALAVADI CEMENTS LIMITED**  
**CIN : U72900WB1995PLC099355**

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016**

**1. Significant Accounting Policies**

**1.1 Basis of Accounting**

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules,2014.

The financial statements had been prepared and presented as per the requirement of revised Schedule III as notified under Companies Act, 2013.

**1.2 Tangible Fixed Assets**

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. Depreciation is provided by systematic allocation of the depreciable amount of an assets over the remaining useful life or useful life, as the case may be, as prescribed in Part C of Schedule II of Companies Act,2013.

**1.3 Investments**

- i) Long Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- ii) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

**1.4 Taxation**

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961.The deferred tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits.

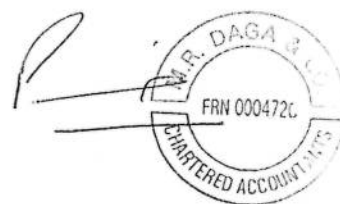
**1.5 Impairment**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**1.6 Recognition of Revenue and Expenses**

All revenue and expenses are accounted for on accrual basis except as otherwise stated.

- 1.7** Miscellaneous Expenditure is capitalised/charged to Profit & Loss account on commencement of the commercial production.



Notes to Financial Statements for the year ended 31st March, 2016

(in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 2.1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
60,00,000 Ordinary Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
	<u>6,00,00,000</u>	<u>6,00,00,000</u>
<b>Issued</b>		
60,00,000 Ordinary Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
	<u>6,00,00,000</u>	<u>6,00,00,000</u>
<b>Subscribed and Paid-up</b>		
60,00,000 Ordinary Shares of Rs. 10/- each fully paid-up (Of the above, 58,80,400 Ordinary Shares are held by Birla Corporation Limited, the Holding Company)	6,00,00,000	6,00,00,000
	<u>6,00,00,000</u>	<u>6,00,00,000</u>

The company has only one class of issued shares i.e. ordinary shares having par value of Rs.10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.

There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period and therefore no reconciliation is required.

The Company has Birla Corporation Limited as its ultimate holding company

1 (P.Y. 1) shareholder holds more than 5% of the Ordinary Shares of the Company aggregating to 58,80,400 shares as on 31st Mar 16.

No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.

No shares have been allotted or has been bought back by the company during the period of 5 years preceeding the date as at which the Balance Sheet is prepared.

No convertible securities has been issued by the company during the Year.

No calls are unpaid by any Director and Officer of the Company during the Year.

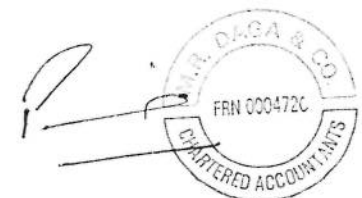
**NOTE 2.2 : RESERVES & SURPLUS**

<b>Surplus/ (Deficit)</b>		
As per last Financial Statements	2,35,54,209	2,34,23,554
Add: Profit for the Year	29,51,573	1,39,525
Less : Depreciation	-	8,870
	<u>2,65,05,782</u>	<u>2,35,54,209</u>
	<u>2,65,05,782</u>	<u>2,35,54,209</u>

**NOTE 2.3 : DEFERRED TAX LIABILITIES (NET)**

<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Depreciation	58,97,294	61,45,238
	<u>58,97,294</u>	<u>61,45,238</u>
<b>Deferred Tax Liabilities</b>	<u>58,97,294</u>	<u>61,45,238</u>

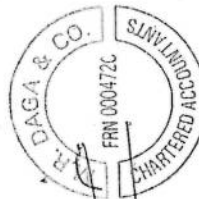
(a) In accordance with Accounting Standard - 22 i.e. 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company's deferred tax liabilities as on 31st March '16 is Rs.58,97,294 arising out of timing differences in respect of depreciation on fixed assets. The excess of deferred tax liabilities over assets has been recognized in the accounts.



## NOTE 2.5 - FIXED ASSETS

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	Cost/Value as at 31st March, 2015	Additions during the year	Deductions during the year	Other Adjustment	Cost/Value as at 31st March, 2015	Provided during the year	Deductions/ Adjustments during the year	Depreciation adjusted against retained earnings	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Buildings	8,88,450	-	-	-	8,88,450	26,154	-	-	4,95,388	3,66,908	3,93,062
Plant & Machinery	6,77,64,572	-	-	-	6,77,64,572	19,34,414	-	-	3,09,15,467	3,49,14,691	3,68,49,105
Furniture	94,191	-	-	-	94,191	-	-	-	89,481	4,710	4,710
Office Equipment	57,993	-	-	-	57,993	-	-	-	55,093	2,900	2,900
Total :	6,88,05,206	-	-	-	6,88,05,206	19,60,568	-	-	3,15,55,429	3,52,89,209	3,72,49,777
CWIP											
Grand Total											
Previous Year :	6,88,05,206	-	-	-	6,88,05,206	19,60,569	-	13,566	2,95,81,294	3,72,49,777	3,92,23,912
										11,99,504	11,99,504
										3,64,88,713	3,84,49,281
										3,84,49,281	3,84,49,281



**TALAVADI CEMENTS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2016

(in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 2.4 : Other Current Liabilities</b>		
For Statutory Dues (Service tax Payable & TDS Payable)	3,90,926	24,755
Amount payable for Services	-	-
Others (Audit Fee)	28,625	25,590
	4,19,551	50,345

**NOTE 2.6 : CURRENT & NON-CURRENT INVESTMENTS**

**CURRENT INVESTMENTS**

**UNITS IN MUTUAL FUNDS**

**QUOTED**

ICICI Pru FMP Series 78-95 Days Plan K DP Cum.

(2,00,000 Units Purchased during the Year)

20,00,000

-

**UNQUOTED**

Reliance Money Manager Fund - Direct Growth Plan

(1,258 Units Purchased during the Year)

25,00,000

-

Aggregate Market Value of Quoted Current Investments

20,22,960

-

**NON-CURRENT INVESTMENTS**

National Savings Certificates (Face Value Rs. 10,000 )

(Deposited with Government Department as Security)

10,000

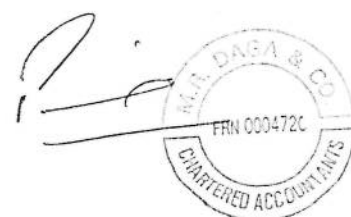
10,000

45,10,000

10,000

**NOTE 2.7 : LOANS & ADVANCES**

	Non-Current		Current	
	As at	As at	As at	As at
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
<b>Capital Advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	3,76,11,780	3,76,11,780	-	-
<b>Security Deposits</b>				
Secured, considered good	17,500	17,500	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	3,76,29,280	3,76,29,280	-	-
Provision for doubtful security deposit	-	-	-	-
<b>(A)</b>	3,76,29,280	3,76,29,280	-	-
<b>Other Loans and Advances (Unsecured, Considered good)</b>				
Advance Tax (including TDS) (Net of provisions)	39,05,332	38,98,269	-	-
Advance against supply of Goods and Services	-	-	-	-
Prepaid Expenses	23,522	47,044	40,582	40,388
Balances with Government & Statutory Authorities	-	-	9,43,804	16,40,347
Advances paid Under Protest	-	-	-	-
<b>(B)</b>	39,28,854	39,45,313	9,84,386	16,80,735
<b>Total (A + B)</b>	4,15,58,134	4,15,74,593	9,84,386	16,80,735



TALAVADI CEMENTS LIMITED  
Notes to Financial Statements for the year ended 31st March, 2016

(In Rs.)

**NOTE 2.8 : CASH AND BANK BALANCES**

**Cash and Cash Equivalents**

	As at 31st March, 2016	As at 31st March, 2015
Balances With Banks	14,10,363	3,78,446
Cheques/drafts on hand and Remittances in transit	-	-
Cash in hand	2,506	2,506
	14,12,869	3,80,952
<b>Other Bank Balances</b>		
Balances with Bank held as margin money/security	25,71,613	25,71,613
Fixed Deposit with Banks	-	-
	25,71,613	25,71,613
	39,84,482	29,52,565

**NOTE 2.9 : OTHER ASSETS**

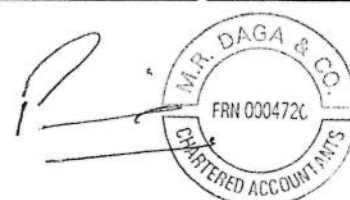
	Non-Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, considered good unless stated otherwise</b>				
Interest accrued on Investments	-	-	2,54,304	40,010
Others	50,42,608	50,42,608	-	-
	50,42,608	50,42,608	2,54,304	40,010

**NOTE 2.10 : OTHER INCOME**

<b>Interest Income</b>				
From banks (Tax Deducted at Source Rs. 23,810 Previous Year Rs. 22,466 )			2,38,104	2,24,656
From refund on Income Tax			-	73,815
<b>Dividend Income</b>				
From long term investments			-	-
From current investments			-	-
<b>Net gain/ (loss) on sale of Investments</b>				
Net gain/ (loss) on sale of long term Investments			-	-
Net gain/ (loss) on sale of current Investments			-	-
<b>Other Non Operating Income</b>				
Miscellaneous Income (Tax Deducted at Source Rs.1,97,340 Previous Year Rs.2,13,257)			98,67,012	1,06,62,895
			1,01,05,116	1,09,61,366

**NOTE 2.11 : FINANCE COST**

	As at 31st March, 2016	As at 31st March, 2015
To Others	-	-
	-	-



TALAVADI CEMENTS LIMITED  
Notes to Financial Statements for the year ended 31st March, 2016

(in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 2.12 : OTHER EXPENSES</b>		
<b>SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Legal Charges	45,30,671	72,54,221
Travelling Expenses	-	4,95,627
Printing and Stationery	5,775	3,675
Bank Charges	24,201	24,751
General Charges	1,96,101	11,38,559
Insurance	22,594	24,160
Statutory Auditors - Audit Fees	20,100	20,000
Tax Audit Fees	5,025	5,000
Directors' Fees	-	-
	48,04,467	89,65,993
	48,04,467	89,65,993

**NOTE 2.13: DEPRECIATION**

On Fixed Assets	19,60,568	19,60,569
	19,60,568	19,60,569
	19,60,568	19,60,569



Notes to Financial Statements for the year ended 31st March, 2016

- 2.14 There are no reportable segments as per Accounting Standard - 17 i.e. 'Segment Reporting' issued by the Institute of Chartered Accountants of India., as the Company has not yet started it's commercial production.
- 2.15 The Company is liable to pay regular tax on its profits earned during the current accounting year. However, tax credit shall be utilized to the extent of difference between regular tax & MAT Liability, depending upon the credit earned by the Company in past years, in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961.
- 2.16 There are no Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance Sheet date, hence no additional disclosure have been made.
- 2.17 Related Party Disclosure  
a) As defined in Accounting Standard - 18, the Company has a related party relationship in the nature of control by its Holding Company, Birla Corporation Limited.

Key Management Personnel

- 1 Shri Bachh Raj Nahar  
2 Shri Govind Jayaraman  
3 Shri Manoj Kumar Mehta

b) Other related parties with whom transactions have taken place during the year and previous year are : Nil

c) During the year, the Company has entered into the following related parties transactions with Birla Corporation Limited (Holding Company):

	2015-2016	2014-2015
	Holding	Holding
Sale of goods/services	98,67,012	1,06,62,895
Advances received	12,32,835	1,19,71,188
Advances repaid	12,32,835	1,19,71,188
<b>Balance outstanding at year end</b>		
Debtors	-	-
Creditors	-	-
Advances given	-	-

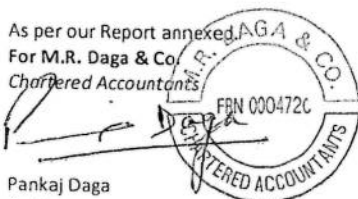
- 2.18 The company has been granted Mining Lease for 2130 Hectors in Satna District in the State of Madhya Pradesh. A Revision Petition & Writ Petition against the same was filed before the Central Government Mining Tribunal and Hon'ble High Court, Jabalpur respectively. The Hon'ble High Court remitted back the matter to the State Government for fresh hearing. Aggrieved by the above order the company appealed before the Hon'ble Supreme Court. Pursuant to the order of the Hon'ble Supreme Court, the Company has filed review petition before the Hon'ble High Court at Jabalpur. The case is pending for further hearing.
- 2.19 The Board of Directors of the Company at its meeting held on 25th July 2013 had approved the Scheme of Amalgamation to amalgamate the Company with Birla Corporation Limited, its Holding Company with an appointed date of 1st April 2013. The scheme is subject to the approval of the Hon'ble High Court at Kolkata.

Signature to Notes 1 to 2.19

As per our Report annexed  
For M.R. Daga & Co.  
Chartered Accountants

Pankaj Daga  
Partner  
(Membership No. 0404056)

Place : Satna  
Dated : 05-05-2016



Directors

B. R. Nahar  
B. R. NAHAR  
DIN:00049895

Kolkata  
04-05-2016

M. K. Mehta  
M. K. MEHTA  
DIN:00085694

**TALAVADI CEMENTS LIMITED**  
CIN : U72900WB1995PLC099355

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**Registration Details**

Registration No. : 099355 State Code : 21  
Balance Sheet Date : 31.03.2016

**I. Capital raised during the year (Amount in Rs. Thousand)**

Public Issue : NIL Right Issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**II. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

Total Liabilities : 92,823 Total Assets : 92,823

**Sources of Funds**

Paid-up Capital : 60,000 Reserve & Surplus : 26,506  
Secured Loans : NIL Unsecured Loans : NIL  
Deferred Tax Liabilities : 5,897 Current Liabilities : 420

**Application of Funds**

Net Fixed Assets : 36,489 Investments : 4,510  
Net Current Assets : 5,223 Miscellaneous Expenditure : 5,043  
Accumulated Losses : NIL Long-Term Loans & Advances : 41,558

**IV. Performance of Company (Amount in Rs. Thousand)**

Turnover : NIL Total Expenditure : 6,765  
Other Income : 10,105 Profit/(Loss) before Tax : 3,340  
Profit/(Loss) after Tax : 2,952 Earning per Share (in Rs.) : 0.49  
Dividend Rate % : NIL

**V. Generic Names of Three Principal Products of Company**

Item Code No.(ITC Code) : 250229.00  
Product Description : CEMENT





**TALAVADI CEMENTS LIMITED**  
CIN : U72900WB1995PLC099355

**CASH FLOW STATEMENT for the year ended 31st March, 2016**

(in Rs.)

	<u>For the year ended 31st March, 2016</u>	<u>For the year ended 31st March, 2015</u>
<b>A Cash Flow from Operating Activities:</b>		
Profit before Tax	33,40,081	2,56,480
Adjustments for :		
Depreciation & Amortisation	19,60,568	19,60,569
Investing Activities (Net)	<u>(2,38,104)</u>	<u>(2,98,471)</u>
<b>Operating Profit before Working Capital changes</b>	<b>50,62,545</b>	<b>19,18,578</b>
Adjustments for :		
(Inc)/ Dec in Loans and Advances	7,19,871	(7,37,344)
Inc/ (Dec) in Other Current Liability	3,69,206	(3,98,854)
<b>Cash generated from operations</b>	<b>61,51,622</b>	<b>7,82,380</b>
Less :- Direct Taxes Paid	<u>6,43,515</u>	<u>62,834</u>
<b>Net Cash from Operating Activities</b>	<b>55,08,107</b>	<b>7,19,546</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of Non Current Assets	-	(4,48,810)
(Purchase)/Sale of Current Investments (Net)	(45,00,000)	(2,58,613)
Interest received from Current Investments	<u>23,810</u>	<u>3,54,894</u>
<b>Net Cash used in Investing Activities</b>	<b>(44,76,190)</b>	<b>(3,52,529)</b>
<b>C Cash Flow from/(used) Financing Activities:</b>	-	-
<b>D Net increase in Cash and Cash Equivalents ( A+B+C )</b>	<u>10,31,917</u>	<u>3,67,017</u>
<b>E Cash and Cash Equivalents (Opening Balance)</b>	<u>3,80,952</u>	<u>13,935</u>
<b>F Cash and Cash Equivalents (Closing Balance) ( D+E )</b>	<u>14,12,869</u>	<u>3,80,952</u>

**Notes:**

- a) Above statement has been prepared in indirect method.
- b) Figures for the previous year have been re-grouped wherever considered necessary.
- c) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our Report annexed.

For M.R. Daga & Co.  
Chartered Accountants



*Pankaj Daga*  
Pankaj Daga  
Partner  
(Membership No. 0404056)

Directors

*B. R. Nahar*  
B. R. NAHAR  
DIN:00049895

*M. K. Mehta*  
M. K. MEHTA  
DIN:00085694

Place : *Satna*  
Dated : *05-05-2016*

Place : *Kolkata*  
Dated : *04-05-2016*

