**INDEPENDENT AUDITORS' REPORT**
**To the members of TALAVADI CEMENTS LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Talavadi Cements Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

M.R. DAGA & CO.
FRN 000472C
CHARTERED ACCOUNTANTS

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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"; and

(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.

   iv. The Company does not have any cash holdings and no dealings were made in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

for **M.R. Daga & Co.**
Chartered Accountants

P. Daga

**Pankaj Daga**
Partner
M. No. : 404056

Satna (M.P.)
24 May 2017

**M.R. DAGA & Co.**
Chartered Accountants

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2nd Floor, Opp. Hotel Savera,
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E-Mail- daga.pankaj@gmail.com

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, 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 Employees 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 31st March 2017 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 loans or borrowings from any financial institution, banks, government and not issued any debentures and hence this clause is not applicable.

M.R. DAGA & CO.
FRN 000472C
CHARTERED ACCOUNTANTS

Contd...2

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) 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 and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(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 the Reserve Bank of India Act, 1934.

*for* **M.R. Daga & Co.**
*Chartered Accountants*

Daga

DAGA & CO.
FRN 000472C
CHARTERED ACCOUNTANTS

**Pankaj Daga**
Partner
M. No. : 404056
Satna (M.P.)
24 May 2017

**INDEPENDENT AUDITORS' REPORT**
**To the members of TALAVADI CEMENTS LIMITED**

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Talavadi Cements Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

M.K. DAGA & CO. FRN 000472C CHARTERED ACCOUNTANTS

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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"; and

(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.

   iv. The Company does not have any cash holdings and no dealings were made in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

for **M.R. Daga & Co.**
Chartered Accountants

**Pankaj Daga**
Partner
M. No. : 404056

Satna (M.P.)
24 May 2017

**Annexure - B to the 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 Talavadi Cements Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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.

R. DAGA & CO.
FRN 000472C
CHARTERED ACCOUNTANTS

**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 2017, 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 **M.R. Daga & Co.**
Chartered Accountants

**Pankaj Daga**
Partner
M. No. : 404056
Satna (M.P.)
24May 2017

**M.R. DAGA & Co.**
Chartered Accountants

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Res. (07672) 222753, 325353
E-Mail- daga.pankaj@gmail.com

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, 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 Employees 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 31st March 2017 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 loans or borrowings from any financial institution, banks, government and not issued any debentures and hence this clause is not applicable.

Contd...2

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) 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 and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(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 the Reserve Bank of India Act, 1934.

*for* **M.R. Daga & Co.**
*Chartered Accountants*

**Pankaj Daga**
Partner
M. No. : 404056
Satna (M.P.)
24 May 2017

**Annexure - B to the 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 Talavadi Cements Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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.

M.R. DAGA & CO.
FRN 000472C
CHARTERED ACCOUNTANTS

**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 2017, 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 **M.R. Daga & Co.**
Chartered Accountants

Daga

**Pankaj Daga**
Partner
M. No. : 404056

Satna (M.P.)
24 May 2017

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

**STANDALONE BALANCE SHEET as at 31st March, 2017**

*(in Rs.)*

| Particulars | Note No. | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **NON-CURRENT ASSETS** | | | | |
| Property Plant Equipment | 5 | 3,33,28,640 | 3,52,89,209 | 3,72,49,777 |
| Capital work-in-progress | 5 | 45,66,130 | 11,99,504 | 11,99,504 |
| | | **3,78,94,770** | **3,64,88,713** | **3,84,49,281** |
| Financial Assets | | | | |
| Investments | 6 | 10,000 | 10,000 | 10,000 |
| Loans | | - | - | - |
| Others | 7 | 30,15,173 | 25,89,113 | 25,89,113 |
| | | **30,25,173** | **25,99,113** | **25,99,113** |
| Other Non-Current Assets | 8 | **4,09,01,186** | **4,15,40,634** | **4,15,57,092** |
| **CURRENT ASSETS** | | | | |
| Financial Assets | | | | |
| Investments | 9 | 76,66,328 | 46,64,472 | - |
| Cash and Bank Balances | 10 | 8,16,382 | 14,12,869 | 3,80,953 |
| Loans | | - | - | - |
| Others | 11 | 28,163 | 2,54,304 | 40,010 |
| | | **85,10,873** | **63,31,645** | **4,20,963** |
| Other Current Assets | 12 | **2,11,418** | **9,84,386** | **16,80,735** |
| **Total Assets** | | **9,05,43,420** | **8,79,44,491** | **8,47,07,184** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share Capital | 13 | 6,00,00,000 | 6,00,00,000 | 6,00,00,000 |
| Other Equity | 14 | 2,56,10,906 | 2,16,27,646 | 1,85,11,601 |
| | | **8,56,10,906** | **8,16,27,646** | **7,85,11,601** |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Provisions | | - | - | - |
| Deferred Tax Liabilities (Net) | 15 | 49,03,764 | 58,97,294 | 61,45,238 |
| Other non-current liabilities | | - | - | - |
| | | **49,03,764** | **58,97,294** | **61,45,238** |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Trade Payables | 16 | 26,250 | 28,625 | 25,590 |
| Other current liabilities | 17 | 2,500 | 3,90,926 | 24,755 |
| | | **28,750** | **4,19,551** | **50,345** |
| **Total Equity And Liabilities** | | **9,05,43,420** | **8,79,44,491** | **8,47,07,184** |

| | |
|---|---|
| Corporate and General Information | 1 |
| Basis of Accounting | 2 |
| Significant Accounting Policies | 3 |
| Significant Judgement and Key Estimates | 4 |

The Notes are an integral part of the Financial Statements

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

M.R. DAGA & CO. FRN 000472C CHARTERED ACCOUNTANTS

Directors

Pankaj Daga
*Partner*
(Membership No. 0404056)

B. R. NAHAR
DIN:00049895

M. K. MEHTA
DIN:00085694

Place : SATNA
Dated : 24.5.17

Place : KOLKATA
Dated : 23.05.2017

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

**STANDALONE STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2017**

*(in Rs.)*

| Particulars | Note No. | For the period ended 31st Mar, 2017 | For the period ended 31st Mar, 2016 |
|---|---|---|---|
| Revenue from Operations | | - | - |
| Other income | 18 | 74,59,440 | 1,02,69,588 |
| Total Income (1) | | **74,59,440** | **1,02,69,588** |
| | | | |
| Expenses: | | | |
| Cost of materials consumed | | - | - |
| Purchases of Stock -in- Trade | | - | - |
| (Increase)/ Decrease in Inventories of Finished Goods,Stock-in-Trade & Work-in-Progress | | - | - |
| Employee benefits Expense | | - | - |
| Finance costs | | - | - |
| Depreciation and amortization expense | 19 | 19,60,569 | 19,60,568 |
| Other Expenses | 20 | 15,94,140 | 48,04,467 |
| Total expenses (2) | | **35,54,709** | **67,65,035** |
| Profit/(loss) before exceptional items and tax (3=1-2) | | 39,04,731 | 35,04,553 |
| Exceptional Items (4) | | - | - |
| Prior Period Items ( Excess Provision/Refund of Income tax relating to earlier years) | | (6,630) | - |
| Profit/(loss) before tax (5=3-4) | | **38,98,101** | **35,04,553** |
| Tax Expense: | | | |
| Current Tax | | 5,58,141 | 4,18,255 |
| Add: MAT Credit Utilized | | 3,50,230 | 2,18,197 |
| Less: MAT Credit Entitlement | | - | - |
| Deferred Tax | | (9,93,530) | (2,47,944) |
| Profit (Loss) for the Year | | **39,83,260** | **31,16,045** |
| Other Comprehensive Income | | - | - |
| A (i) Items that will not be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| B (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| **Total Comprehensive Income for the Year (Comprising profit (loss) and other comprehensive Income for the Year)** | | **39,83,260** | **31,16,045** |
| Earning Per Share | | | |
| Weighted Average Number of Ordinary Shares outstanding during the year | | 60,00,000 | 60,00,000 |
| Basic and Diluted earnings per share (in Rupees) | | 0.66 | 0.52 |
| | | | |
| Corporate and General Information | 1 | | |
| Basis of Accounting | 2 | | |
| Significant Accounting Policies | 3 | | |
| Significant Judgement and Key Estimates | 4 | | |

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)

Place : SATNA
Dated : 24.05.2017

Directors

B. R. NAHAR
DIN:00049895

M. K. MEHTA
DIN:00085694

Place : KOLKATA
Dated : 23.05.2017

## TALAVADI CEMENTS LIMITED
## CIN : U72900WB1995PLC099355

### CASH FLOW STATEMENT for the year ended 31st March, 2017

*(In Rs.)*

| | | For the year ended 31st March, 2017 | | For the year ended 31st March, 2016 | |
|---|---|---|---|---|---|
| A | **Cash Flow from Operating Activities:** | | | | |
| | **Profit before Tax** | **39,04,731** | | **35,04,553** | |
| | **Adjustments for :** | | | | |
| | Depreciation & Amortisation | 19,60,569 | | 19,60,568 | |
| | Investing Activities (Net) | (7,23,754) | | (4,02,576) | |
| | **Operating Profit before Working Capital changes** | **51,41,546** | | **50,62,545** | |
| | **Adjustments for :** | | | | |
| | (Inc)/ Dec in Current Assets | 9,99,109 | | 7,19,871 | |
| | Inc/ (Dec) in Current Liabilities | (3,90,801) | | 3,69,206 | |
| | **Cash generated from operations** | **57,49,854** | | **61,51,622** | |
| | Less :- Direct Taxes Paid | 5,01,695 | | 6,43,515 | |
| | **Net Cash from Operating Activities** | | **52,48,159** | | **55,08,107** |
| B | **Cash Flow from Investing Activities:** | | | | |
| | (Purchase)/Sale of Non-Current Assets | (37,92,686) | | - | |
| | (Purchase)/Sale of Current Investments (Net) | (25,00,000) | | (45,00,000) | |
| | Interest received from Current Investments | 4,48,040 | | 23,810 | |
| | **Net Cash used in Investing Activities** | | **(58,44,646)** | | **(44,76,190)** |
| C | **Cash Flow from/(used) Financing Activities:** | | - | | - |
| D | **Net increase in Cash and Cash Equivalents ( A+B+C )** | | **(5,96,487)** | | **10,31,917** |
| E | **Cash and Cash Equivalents (Opening Balance)** | | **14,12,869** | | **3,80,952** |
| F | **Cash and Cash Equivalents (Closing Balance) ( D+E )** | | **8,16,382** | | **14,12,869** |

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
*Partner*
(Membership No. 0404056)

Place : SATNA
Dated : 24.05.2017

Directors

B. R. NAHAR
DIN:00049895

M. K. MEHTA
DIN:00085694

Place : KOLKATA
Dated : 23.05.2017

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31st March 2017**

## 1. CORPORATE AND GENERAL INFORMATION

Talavadi Cements Limited is the company of the M. P. Birla Group. It is one of the subsidiaries of Birla Corporation Limited. It was incorporated in the year 1995.

## 2. BASIS OF ACCOUNTING

### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended March 31, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2017 are the first financials with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101"First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 2.23. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2015 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2017 were approved by the Board of Directors in their meeting held on 23.05.2017.

### 2.2 Basis of Measurement

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

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;

### 2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Rupees as per the requirements of Schedule III, unless otherwise stated.

### 2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

### 2.5 Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

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- ➢ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- ➢ It is expected to be settled in normal operating cycle;
- ➢ It is held primarily for the purpose of trading;
- ➢ It is due to be settled within twelve months after the reporting period; or
- ➢ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## 3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.1 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### 3.2 Income Tax

Income Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### 3.2.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

#### 3.2.2. Deferred Tax

- ➢ Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- ➢ Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- ➢ Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- ➢ The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- ➢ Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

- ➢ Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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### 3.3 Property, Plant and Equipment

#### 3.3.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### 3.3.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

#### 3.3.3. Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### 3.3.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

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### 3.3.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### 3.4 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction specific to each arrangement.

### 3.4.1. Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

### 3.4.2. Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

### 3.5 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

### 3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.6.1. Financial Assets

- **Recognition and Initial Measurement:**

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

  For purposes of subsequent measurement, financial assets are classified in four categories:
  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➢ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.6.2. Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➢ **Subsequent Measurement:**

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Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **Derecognition**

  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting financial instruments**

  Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize 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 counterparty.

### 3.7 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. 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 lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

### 3.8 Provisions, Contingent Liabilities and Contingent Assets

#### 3.8.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

- **Onerous Contracts:**

  Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

#### 3.8.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

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### 3.8.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 3.9 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## 3.10 Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

- Ind-AS 7 – Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind-AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Company is in the process of assessing the possible impact of Ind-AS 7: Statement of Cash Flows and will adopt the amendments on the required effective date.

# 4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets.

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Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

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TALAVADI CEMENTS LIMITED

CIN : U72900WB1995PLC099355

Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

5 PROPERTY, PLANT AND EQUIPMENT

(` in Rs)

| Particulars | Year Ended 31st March 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | | Accumulated Depreciation | | | | | | |
| | Deemed cost as at 1st April 2015 | Additions | Transfer/Inter Unit Transfer | Disposals | Other Adjustments | As at 31st March 2016 | As at 1st April 2015 | Depreciation charged during the year | Transfer/Inter Unit Transfer | Deductions | Other Adjustments | As at 31st March 2016 | Net Carrying Amount |
| Leasehold Land | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Freehold Land | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | 3,93,062 | | - | - | - | 3,93,062 | - | 26,154 | - | - | - | 26,154 | 3,66,908 |
| Plant and Machinery | 3,68,49,105 | | - | - | | 3,68,49,105 | - | 19,34,414 | - | - | - | 19,34,414 | 3,49,14,691 |
| Furniture and Fittings | 4,710 | | - | - | - | 4,710 | - | - | - | - | - | - | 4,710 |
| Vehicles | - | | - | - | - | - | - | | - | - | - | - | - |
| Office Equipments | 2,900 | | - | - | - | 2,900 | - | - | - | - | - | - | 2,900 |
| Railway Sidings | - | - | - | - | - | - | - | | - | - | - | - | - |
| Capital Work- in-Progress | 11,99,504 | | | - | - | 11,99,504 | - | - | - | - | - | - | 11,99,504 |
| Total | 3,84,49,281 | - | - | - | - | 3,84,49,281 | - | 19,60,568 | - | - | - | 19,60,568 | 3,64,88,713 |

| Particulars | Year Ended 31st March 2017 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | | Accumulated Depreciation | | | | | | |
| | Deemed cost as at 1st April 2016 | Additions | Transfer/Inter Unit Transfer | Disposals | Other Adjustments | As at 31st March 2017 | As at 1st April 2016 | Depreciation charged during the year | Transfer/Inter Unit Transfer | Deductions | Other Adjustments | As at 31st March 2017 | Net Carrying Amount |
| Leasehold Land | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Freehold Land | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | 3,93,062 | - | - | - | - | 3,93,062 | 26,154 | 26,155 | - | - | - | 52,309 | 3,40,753 |
| Plant and Machinery | 3,68,49,105 | - | - | - | - | 3,68,49,105 | 19,34,414 | 19,34,414 | - | - | - | 38,68,828 | 3,29,80,277 |
| Furniture and Fittings | 4,710 | - | - | - | - | 4,710 | - | - | - | - | - | - | 4,710 |
| Vehicles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Equipments | 2,900 | - | - | - | - | 2,900 | - | - | - | - | - | - | 2,900 |
| Railway Sidings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Work- in-Progress | 11,99,504 | 33,66,626 | - | - | - | 45,66,130 | - | - | - | - | - | - | 45,66,130 |
| Total | 3,84,49,281 | 33,66,626 | - | - | - | 4,18,15,907 | 19,60,568 | 19,60,569 | - | - | - | 39,21,137 | 3,78,94,770 |

**Notes:**

5.1 For Propery, Plant and Equipment exisiting as on 1st April 2015, i.e. the date of transition to Ind AS for the company, the company has considered previous GAAP (i.e., IGAAP) carrying value as deemed cost as per the option available under para D7AA of Ind AS 101 "First Time Adoption".

5.2 Includes Rs Nil in Land and Rs Nil in Building under co-ownership basis and also Rs Nil being value of Investments in Shares of a Private Ltd. Co.

5.3 Other Adjustments include adjustment on account of foreign exchange differences pursuant to using the optional exemption available under para D13AA of Ind AS 101 "First Time Adoption" for continuing with the policy adopted for accounting for exchange difference on the Long Term Foreign Exchange Monetary Items recognized under previous GAAP. Accordingly, the amount adjusted with the block amounts to Rs Nil (previous year Rs Nil) and Rs Nil remaining unamortized as on 31st March 2017.

5.4 Other Adjustments also include finance costs capitalized on the qualifying assets as required by Ind AS 23 "Borrowing Costs" amounting to Rs Nil (previous year Rs Nil)

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Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

*(in Rs.)*

ASSETS

A. NON-CURRENT ASSETS

FINANCIAL ASSETS

**NOTE 6 : INVESTMENTS**

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | | | |
| UNQUOTED | | | |
| National Savings Certificates (Face Value Rs. 10,000 ) (Deposited with Government Department as Security) | 10,000 | 10,000 | 10,000 |
| TOTAL NON-CURRENT INVESTMENTS | 10,000 | 10,000 | 10,000 |
| Aggregate of Quoted Investments | - | - | - |
| Aggregate Market Value of Quoted Investments | - | - | - |
| Aggregate of Unquoted Investments | 10,000 | 10,000 | 10,000 |
| Aggregate amount of Impairment in value of Investments | - | - | - |

**NOTE 7 : OTHERS**

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Security Deposits | | | |
| Secured, considered good | 17,500 | 17,500 | 17,500 |
| Unsecured, considered good | - | - | - |
| Doubtful | - | - | - |
| | 17,500 | 17,500 | 17,500 |
| Balances with Bank held as margin money/security | - | - | - |
| Fixed Deposit with Banks | 29,97,673 | 25,71,613 | 25,71,613 |
| | 29,97,673 | 25,71,613 | 25,71,613 |
| | 30,15,173 | 25,89,113 | 25,89,113 |

**NOTE 8 : Other Non-Current Assets**

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Other Advances (Unsecured, Considered good) | | | |
| Advance Tax (including TDS) (Net of provisions) | 32,89,406 | 39,05,332 | 38,98,268 |
| Advance against supply of Goods and Services | - | - | - |
| Prepaid Expenses | - | 23,522 | 47,044 |
| Balances with Government & Statutory Authorities | - | - | - |
| Advances paid Under Protest | 3,76,11,780 | 3,76,11,780 | 3,76,11,780 |
| | 4,09,01,186 | 4,15,40,634 | 4,15,57,092 |

B.CURRENT ASSETS

FINANCIAL ASSETS

**NOTE 9 : INVESTMENTS**

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| UNITS IN MUTUAL FUNDS | | | |
| UNQUOTED | | | |
| ICICI P8972 FMP Series 78-95 D Plan K DP Cum. | - | 20,22,960 | - |
| ICICI Money Market Fund - Direct Growth | 21,72,435 | - | - |
| Reliance Money Manager Fund - Direct Growth Plan Growth Option | 28,63,967 | 26,41,512 | - |
| ICICI Ultra Short Term Plan - Direct Growth | 26,29,926 | - | - |
| Total Current Investment | 76,66,328 | 46,64,472 | - |
| Total Non-Current and Current Investments | 76,76,328 | 46,74,472 | 10,000 |
| Aggregate of Quoted Investments | - | - | - |
| Aggregate Market Value of Quoted Investments | - | - | - |
| Aggregate of Unquoted Investments | 76,66,328 | 46,64,472 | - |
| Aggregate amount of Impairment in value of Investments | - | - | - |
| Aggregate of Total(Non-Current and Current) Quoted Investments | - | - | - |
| Aggregate Market value of Total(Non-Current and Current) Quoted Investments | - | - | - |
| Aggregate of Total(Non-Current and Current) Unquoted Investments | 76,76,328 | 46,74,472 | 10,000 |
| Aggregate amount of Impairment in value of Total Investments | - | - | - |

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Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **NOTE 10 : CASH AND BANK BALANCES** | | | |
| Cash and Cash Equivalents | | | |
| Balances With Banks | 8,16,382 | 14,10,363 | 3,78,447 |
| Cheques/drafts on hand and Remittances in transit | - | - | - |
| Cash in hand | - | 2,506 | 2,506 |
| | 8,16,382 | 14,12,869 | 3,80,953 |
| **NOTE 11 : Others** | | | |
| Unsecured, considered good unless stated otherwise | | | |
| Interest accrued on Investments | 28,163 | 2,54,304 | 40,010 |
| | 28,163 | 2,54,304 | 40,010 |
| **NOTE 12 : Other Current Assets** | | | |
| Other Advances (Unsecured, Considered good) | | | |
| Prepaid Expenses | - | 40,582 | 40,388 |
| Balances with Government & Statutory Authorities | 2,11,418 | 9,43,804 | 16,40,347 |
| | 2,11,418 | 9,84,386 | 16,80,735 |
| **EQUITY AND LIABILITIES** | | | |
| **C.EQUITY** | | | |
| **NOTE 13 : Equity Share Capital** | | | |
| **Authorised** | | | |
| 60,00,000 Ordinary Shares of Rs. 10/- each | 6,00,00,000 | 6,00,00,000 | 6,00,00,000 |
| | 6,00,00,000 | 6,00,00,000 | 6,00,00,000 |
| **Issued** | | | |
| 60,00,000 Ordinary Shares of Rs. 10/- each | 6,00,00,000 | 6,00,00,000 | 6,00,00,000 |
| **Subscribed and Paid-up** | | | |
| 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 | 6,00,00,000 |
| | 6,00,00,000 | 6,00,00,000 | 6,00,00,000 |

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,2017.

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.

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **NOTE 14 : Other Equity** | | | |
| **Retained Earnings** | -50,42,608 | -50,42,608 | -50,42,608 |
| **Surplus/ (Deficit)** | | | |
| As per last Financial Statements | 2,65,05,782 | 2,35,54,209 | 2,34,23,555 |
| Add: Profit for the Year | 39,83,260 | 29,51,573 | 1,39,525 |
| Less : Depreciation | - | - | 8,871 |
| | 3,04,89,042 | 2,65,05,782 | 2,35,54,209 |
| **Profit/(Loss) -IND AS for the year 2015-16** | 1,64,472 | 1,64,472 | |
| **Total Other Equity** | **2,56,10,906** | **2,16,27,646** | **1,85,11,601** |

**D. NON-CURRENT LIABILITIES**

**NOTE 15 : Deferred Tax Liabilities (Net)**

| | | | |
|---|---|---|---|
| Deferred Tax Liabilities | 49,03,764 | 58,97,294 | 61,45,238 |
| Deferred Tax Liabilities | **49,03,764** | **58,97,294** | **61,45,238** |

(a) In accordance with Ind AS 12 i.e. 'Income Taxes ' issued by the Institute of Chartered Accountants of India, the Company's deferred tax liabilities as on 31st Mar'17 is Rs.49,03,764 arising out of timing differences. The excess of deferred tax liabilities over assets has been recognized in the accounts.

**E. CURRENT LIABILITIES**

**FINANCIAL LIABILITIES**

**NOTE 16 : Trade Payables**

| | | | |
|---|---|---|---|
| Others (Audit Fee) | 26,250 | 28,625 | 25,590 |
| | 26,250 | 28,625 | 25,590 |

**NOTE 17 : Other current liabilities**

| | | | |
|---|---|---|---|
| For Statutory Dues (Service tax Payable & TDS Payable) | 2,500 | 3,90,926 | 24,755 |
| | **2,500** | **3,90,926** | **24,755** |

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Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

| | As at 31st Mar, 2017 | As at 31st Mar, 2016 |
|---|---|---|
| **NOTE 18 : Other income** | | |
| **Interest Income** | | |
| From banks | 2,21,899 | 2,38,104 |
| (Tax Deducted at Source Rs.22,190, Previous year Rs.23,810 ) | | |
| From refund on Income Tax | 11,314 | - |
| **Dividend Income** | | |
| From long term investments | - | - |
| From current investments | - | - |
| **Net gain/ (loss) on sale of Investments** | | |
| Net gain/ (loss) on sale of long term Investments | - | - |
| Net gain/ (loss) on sale of current Investments | - | - |
| **Net Gain on Investments Fair Value Through P & L** | 5,01,855 | 1,64,472 |
| **Other Non Operating Income** | | |
| Miscellaneous Income (Tax Deducted at Source Rs.1,34,486, Previous year Rs.1,97,340 ) | 67,24,372 | 98,67,012 |
| | 74,59,440 | 1,02,69,588 |
| **NOTE 19 : Depreciation and amortization expense** | | |
| On Fixed Assets | 19,60,569 | 19,60,568 |
| | 19,60,569 | 19,60,568 |
| **NOTE 20 : Other Expenses** | | |
| Legal Charges | 11,24,739 | 45,30,671 |
| Travelling Expenses | - | - |
| Printing and Stationery | - | 5,775 |
| Bank Charges | 47,681 | 24,201 |
| General Charges | 3,50,017 | 1,96,101 |
| Insurance | 46,328 | 22,594 |
| Statutory Auditors - | | |
| Audit Fees | 20,300 | 20,100 |
| Tax Audit Fees | 5,075 | 5,025 |
| Directors' Fees | - | - |
| | 15,94,140 | 48,04,467 |
| | 15,94,140 | 48,04,467 |

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## Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

21 There are no reportable segments as per Ind AS 108 i.e. 'Operating Segments' issued by the Institute of Chartered Accountants of India., as the Company has not yet started it's commercial production.

22 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 Liablity , 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.

23 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.

24 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'able 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.

25 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.

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Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

(` in Rs.)

26 Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

| Sl. No. | Particulars | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|
| i | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year. | NIL | NIL | NIL |
| ii | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL | NIL |
| iii | The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL | NIL |
| iv | The amount of interest accrued and remaining unpaid at the end of each accounting year | NIL | NIL | NIL |
| v | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL | NIL |

27 **Related Party Disclosures**

27.1 As defined in Indian Accounting Standard-24, the Company has a related party relationship in the nature of control by its Holding Company namely:

| Name of the Entity | Place of Incorporation | Ownership Interest held by the Company | | |
|---|---|---|---|---|
| | | 31st March 2017 | 31st March 2016 | 1st April 2015 |
| Birla Corporation Limited | India | 98% | 98% | 98% |

| Nature | Name | Designation |
|---|---|---|
| Key Management Personnels | Mr. Bachh Raj Nahar | Director |
| | Mr. Manoj Kumar Mehta | Director |
| | Mr. Prakash Chandra Mathur | Director |

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

27.3 Transactions during the year

| Particulars | 2016-2017 | 2015-2016 |
|---|---|---|
| | Holding | Holding |
| Sale of goods/services | 6724372 | 9867012 |
| Payment of Rent | | |
| Receipt of Rent | | |
| Advances received | 4902799 | 1232835 |
| Advances repaid | 4902799 | 1232835 |
| Interest Received | | |
| Remuneration, Perquisites & Others | | |

27.4 Balance Outstanding as at the balance sheet date

| Particulars | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **Trade Payables** | | | |
| Holding | NIL | NIL | NIL |
| **Trade Receivables** | | | |
| Holding | NIL | NIL | NIL |
| **Advances Received** | | | |
| Holding | NIL | NIL | NIL |
| **Provision for Doubtful Advances** | | | |
| Holding | NIL | NIL | NIL |

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## 28 Transition to Ind AS

### 28.1 Basis for Preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

### 28.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet. In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

### 28.2.1 Optional Exemptions Availed

**a Property Plant and Equipment**

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

**b Designation of previously recognised financial instruments**

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather at initial recognition). The Company has opted to avail this exemption to designate its investments in equity instruments (other than investment in subsidiaries and associates) as FVOCI on the date of transition.

### 28.2.2 Mandatory Exceptions

**a Estimates**

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

-Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.

-Determination of the discounted value for financial instruments carried at amortized cost.

### 28.3 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

1. Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016
2. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2016
3. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
4. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differ from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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28.3.1 **Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016**

(` in Rs.)

| Particulars | Refer Note No. | Previous GAAP* as at 31.03.2016 | Effect of Transition to IND AS | As per IND AS Balance Sheet as at 31.03.2016 | Previous GAAP* as at 31.03.2015 | Effect of Transition to IND AS | As per IND AS Balance Sheet as at 01.04.2015 |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **NON-CURRENT ASSETS** | | | | | | | |
| Property, Plant and Equipment | | 3,52,89,209 | | 3,52,89,209 | 3,72,49,777 | | 3,72,49,777 |
| Capital Work-In-Progress | | 11,99,504 | | 11,99,504 | 11,99,504 | | 11,99,504 |
| Investment Property | | | | | | | |
| Intangible Assets | | | | | | | |
| Intangible Assets under development | | | | | | | |
| Biological Assets other than bearer plants | | | | | | | |
| Financial Assets | | | | | | | |
| Investments | | 10,000 | | 10,000 | 10,000 | | 10,000 |
| Trade Receivables | | | | | | | |
| Loans | | | | | | | |
| Other Financial Assets | | 25,89,113 | | 25,89,113 | 25,89,113 | | 25,89,113 |
| Deferred Tax Assets (net) | | | | | | | |
| Other Non-Current Assets | 28.3.5 b | 4,65,83,242 | (50,42,608) | 4,15,40,634 | 4,65,99,700 | (50,42,608) | 4,15,57,092 |
| **Total Non Current Asset** | | 8,56,71,068 | (50,42,608) | 8,06,28,460 | 8,76,48,094 | (50,42,608) | 8,26,05,486 |
| **CURRENT ASSETS** | | | | | | | |
| Inventories | | | | | | | |
| Financial Assets | | | | | | | |
| Investments | 28.3.5 a | 45,00,000 | 1,64,472 | 46,64,472 | - | | - |
| Trade Receivables | | | | | | | |
| Cash and Cash Equivalents | | 14,12,869 | | 14,12,869 | 3,80,953 | | 3,80,953 |
| Bank balances other than Note 13 | | | | | | | |
| Loans | | | | | | | |
| Other Financial Assets | | 2,54,304 | | 2,54,304 | 40,010 | | 40,010 |
| Current Tax Asset (Net) | | | | | | | |
| Other Current Assets | | 9,84,386 | | 9,84,386 | 16,80,735 | | 16,80,735 |
| Non-Current Assets classified as held for sale | | | | | | | |
| **Total Current Assets** | | 71,51,559 | 1,64,472 | 73,16,031 | 21,01,698 | - | 21,01,698 |
| **Total Assets** | | 9,28,22,627 | (48,78,136) | 8,79,44,491 | 8,97,49,792 | (50,42,608) | 8,47,07,184 |
| **EQUITY AND LIABILITIES** | | | | | | | |
| **EQUITY** | | | | | | | |
| Equity Share Capital | | 6,00,00,000 | | 6,00,00,000 | 6,00,00,000 | | 6,00,00,000 |
| Other Equity | 28.3.5 a,b | 2,65,05,782 | (48,78,136) | 2,16,27,646 | 2,35,54,209 | (50,42,608) | 1,85,11,601 |
| **Equity attributable to the owners** | | 8,65,05,782 | (48,78,136) | 8,16,27,646 | 8,35,54,209 | (50,42,608) | 7,85,11,601 |
| **LIABILITIES** | | | | | | | |
| **NON-CURRENT LIABILITIES** | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | | | | | | | |
| Other Financial Liabilities | | | | | | | |
| Provisions | | | | | | | |
| Deferred Tax Liabilities (Net) | | 58,97,294 | | 58,97,294 | 61,45,238 | | 61,45,238 |
| Other Non Current Liabilities | | | | | | | |
| **Non Current Liability** | | 58,97,294 | - | 58,97,294 | 61,45,238 | - | 61,45,238 |
| **CURRENT LIABILITIES** | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | | | | | | | |
| Trade Payables | | 28,625 | | 28,625 | 25,590 | | 25,590 |
| Other Financial Liabilities | | | | | | | |
| Other Current Liabilities | | 3,90,926 | | 3,90,926 | 24,755 | | 24,755 |
| Provisions | | | | | | | |
| Current Tax Liabilities ( Net) | | | | | | | |
| **Current Liability** | | 4,19,551 | - | 4,19,551 | 50,345 | - | 50,345 |
| **Total Equity and Liabilities** | | 9,28,22,627 | (48,78,136) | 8,79,44,491 | 8,97,49,792 | (50,42,608) | 8,47,07,184 |

*Regrouped as per Ind AS Compliant Schedule III.

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28.3.2 **Reconciliation of Statement of Profit & Loss for the year ended 31st March,2016**

(` in Rs.)

| Particulars | Refer Note No. | Previous GAAP* | Effect of transition to IND AS | Ind AS |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from Operations | | | | |
| Other Income | 28.3.5 a | 1,01,05,116 | 1,64,472 | 1,02,69,588 |
| Total Income (A) | - | 1,01,05,116 | 1,64,472 | 1,02,69,588 |
| **EXPENSES** | | | | |
| Cost of Materials Consumed | | | | |
| Purchases of Stock -in- Trade | | | | |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress | | | | |
| Employee Benefits Expense | | | | |
| Finance Costs | | | | |
| Depreciation and Amortisation Expense | | 19,60,568 | | 19,60,568 |
| Other Expenses | | 48,04,467 | | 48,04,467 |
| Exceptional items | | | | |
| Total Expenses (B) | - | 67,65,035 | - | 67,65,035 |
| **Profit before Exceptional Items and Tax (A-B)** | - | 33,40,081 | 1,64,472 | 35,04,553 |
| Exceptional Items | | | | |
| **Profit before Tax** | - | 33,40,081 | 1,64,472 | 35,04,553 |
| **Tax Expense:** | | | | |
| Current Tax | | 4,18,255 | | 4,18,255 |
| Mat Credit Entitlement | | 2,18,197 | | 2,18,197 |
| Deferred Tax | | (2,47,944) | | (2,47,944) |
| Income Tax for earlier years | | | | |
| **Profit for the year** | - | 29,51,573 | 1,64,472 | 31,16,045 |
| **Other Comprehensive Income** | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Income tax relating to these items | | | | |
| | - | - | - | - |
| Items that will be reclassified to profit or loss | | | | |
| Income tax relating to these items | | | | |
| | - | - | - | - |
| Other Comprehensive Income for the Year (Net of Tax) | - | - | - | - |
| Total Comprehensive Income for the period | - | 29,51,573 | 1,64,472 | 31,16,045 |

*** Regrouped as per IND AS compliant Schedule III**

28.3.3 **Reconciliation of Total Equity**

| Particulars | Refer Note No. | As at 31st March,2016 | As at 1st April,2015 |
|---|---|---|---|
| **Equity under Previous Indian GAAP** | | **1,85,11,601** | **2,35,54,209** |
| On account of Pre-operative expenditure written off | 28.3.5 b | | (50,42,608) |
| On account of Profit & Loss for the year | | 31,16,045 | |
| **Total adjustment to equity** | | 31,16,045 | (50,42,608) |
| **Total equity under Ind AS** | | 2,16,27,646 | 1,85,11,601 |

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**28.3.4 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016**

| Particulars | Notes | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| Net cash flow from Operating Activities | | 55,08,107 | | 55,08,107 |
| Net cash flow from Investing Activities | | (44,76,190) | | (44,76,190) |
| Net cash flow from Financing Activities | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | 10,31,917 | - | 10,31,917 |
| Cash and cash equivalents as at 1 April 2015 | | 3,80,952 | | 3,80,952 |
| Cash and cash equivalents as at 31 March 2016 | | 14,12,869 | | 14,12,869 |

**28.3.5 Notes to First Time Adoption**

**a Fair valuation of investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by INR 1,64,472 as at 31 March 2016 (1 April 2015 - INR Nil).

Consequent to the above, the total equity as at 31 March 2016 increased by INR 1,64,472 (1 April 2015 - INR Nil) and profit and other comprehensive income for the year ended 31 March 2016 increased by INR 1,64,472 and INR Nil, respectively.

**b Pre-incorporation expenditure written off**

Under the previous GAAP, amount of Pre-incorporation expenditure were shown under Other Assets.As per Ind AS 16 ,Pre-incorporation expenditure does not fulfills the criteria of Property,Plant & Equipment,hence should be charged to retained earnings on the date of transition. This decreased the retained earnings by INR 50,42,608 as at 31 March 2016 (1 April 2015 - INR 50,42,608).

Consequent to the above, the total equity as at 31 March 2016 decreased by INR 50,42,608 (1 April 2015 - INR 50,42,608).

**c Retained Earnings**

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**29 Fair value of Financial Assets and Financial Liabilities**

As at 31st March 2017 and 31st March 2016

| Particulars | 31st March 2017 | | | 31st March 2016 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | | | | | | |
| - Preference Shares | | | | | | |
| - Bonds and Debentures | | | | | | |
| - Mutual Funds | 76,66,328 | | | 46,64,472 | | |
| - Government Securities | | | 10,000 | | | 10,000 |
| Trade Receivables | | | | | | |
| Loans Given | | | | | | |
| Cash and Cash Equivalents | | | 8,16,382 | | | 14,12,869 |
| Security Deposits | | | 17,500 | | | 17,500 |
| Fixed Deposits maturing after 12 months from Balance sheet date | | | 29,97,673 | | | 25,71,613 |
| Interest accrued on Fixed Deposits | | | 28,163 | | | 2,54,304 |
| **Total Financial Assets** | 76,66,328 | - | 38,69,718 | 46,64,472 | - | 42,66,286 |
| **Financial Liabilities** | | | | | | |
| Borrowings | | | | | | |
| Trade Payables | | | 26,250 | | | 28,625 |
| Trade & Security Deposits | | | | | | |
| Capital Creditors | | | | | | |
| **Total Financial Liabilities** | - | - | 26,250 | - | - | 28,625 |

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As at 1st April 2015

| Particulars | FVTPL | FVOCI | Amortized Cost |
|---|---|---|---|
| **Financial Assets** | | | |
| Investment | | | |
| - Equity Instruments | | | |
| - Preference Shares | | | |
| - Bonds and Debentures | | | |
| - Mutual Funds | | | |
| - Government Securities | | | 10,000 |
| Trade Receivables | | | |
| Loans Given | | | |
| Cash and Cash Equivalents | | | 3,80,953 |
| Security Deposits | | | 17,500 |
| Fixed Deposits maturing after 12 months from Balance sheet date | | | 25,71,613 |
| Interest accrued on Fixed Deposits | | | 40,010 |
| **Total Financial Assets** | - | - | 30,20,076 |
| **Financial Liabilities** | | | |
| Borrowings | | | |
| Trade Payables | | | 25,590 |
| Trade & Security Deposits | | | |
| Capital Creditors | | | |
| **Total Financial Liabilities** | - | - | 25,590 |

**30 Fair Values**

**30.1** The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

| Particulars | 31st March 2017 | | 31st March 2016 | | 1st April 2015 | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets** | | | | | | |
| Investments | | | | | | |
| Bonds | | | | | | |
| Government Securities | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Loans | | | | | | |
| Loan to Related Parties | | | | | | |
| Loan to Employees | | | | | | |
| Cash and Cash Equivalents | 8,16,382 | 8,16,382 | 14,12,869 | 14,12,869 | 3,80,953 | 3,80,953 |
| Security Deposits | 17,500 | 17,500 | 17,500 | 17,500 | 17,500 | 17,500 |
| Fixed Deposits maturing after 12 months from Balance sheet date | 29,97,673 | 29,97,673 | 25,71,613 | 25,71,613 | 25,71,613 | 25,71,613 |
| Interest accrued on Fixed Deposits | 28,163 | 28,163 | 2,54,304 | 2,54,304 | 40,010 | 40,010 |
| **Total Financial Assets** | 38,69,718 | 38,69,718 | 42,66,286 | 42,66,286 | 30,20,076 | 30,20,076 |
| **Financial Liabilities** | | | | | | |
| Non-Current Borrowings | | | | | | |
| Debentures | | | | | | |
| Rupee Term Loan | | | | | | |
| Foreign Currency Term Loan | | | | | | |
| Obligations under Finance Lease | | | | | | |
| Trade Payables | 26,250 | 26,250 | 28,625 | 28,625 | 25,590 | 25,590 |
| **Total Financial Liabilities** | 26,250 | 26,250 | 28,625 | 28,625 | 25,590 | 25,590 |

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30.2 The management assessed that the fair values of government securities,cash and cash equivalents,security deposits,Fixed Deposits, Interest accrued on fixed deposits and trade payables approximates their carrying amounts largely due to the short-term maturities of these instruments.

30.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

30.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**31 Fair Value Hierarchy**

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value 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 of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

**31.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements**

**As at 31st March 2017 and 31st March 2016**

| Particulars | 31st March 2017 | | | 31st March 2016 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | |
| Financial Investment at FVTPL | | | | | | |
| Unlisted Preference Shares | | | | | | |
| Mutual Funds | 76,66,328 | | | 46,64,472 | | |
| Financial Investment at FVOCI | | | | | | |
| Listed Equity Investments | | | | | | |
| Unlisted Equity Investments | | | | | | |
| Listed Corporate Bonds | | | | | | |
| Listed Government Securities | | | | | | |
| Government Securities | | | | | | |
| Derivatives not designated as hedge | | | | | | |
| Foreign Exchange Forward Contracts | | | | | | |
| **Total Financial Assets** | 76,66,328 | - | - | 46,64,472 | - | - |
| **Financial Liabilities** | | | | | | |
| Derivatives not designated as hedges | | | | | | |
| Foreign Exchange Forward Contracts | | | | | | |
| **Total Financial Liabilities** | - | - | - | - | - | - |

**As at 1st April 2015**

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Financial Assets** | | | |
| Financial Investment at FVTPL | | | |
| Unlisted Preference Shares | | | |
| Mutual Funds | | | |
| Financial Investment at FVOCI | | | |
| Listed Equity Investments | | | |
| Unlisted Equity Investments | | | |
| Listed Corporate Bonds | | | |
| Listed Government Securities | | | |
| Government Securities | | | |
| Derivatives not designated as hedge | | | |
| Foreign Exchange Forward Contracts | | | |
| **Total Financial Assets** | - | - | - |
| **Financial Liabilities** | | | |
| Derivatives not designated as hedges | | | |
| Foreign Exchange Forward Contracts | | | |
| **Total Financial Liabilities** | - | - | - |

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31.2 **Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed**

**As at 31st March 2017 and 31st March 2016**

| Particulars | 31st March 2017 | | | 31st March 2016 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | |
| Investments | | | | | | |
| Bonds | | | | | | |
| Government Securities | | | 10,000 | | | 10,000 |
| Loans | | | | | | |
| Loans to Associates | | | | | | |
| Loans to Employees | | | | | | |
| Security Deposits | | | | | | |
| Cash and Cash Equivalents | | | 8,16,382 | | | 14,12,869 |
| Security Deposits | | | 17,500 | | | 17,500 |
| Fixed Deposits maturing after 12 months from Balance sheet date | | | 29,97,673 | | | 25,71,613 |
| Other Financial Assets | | | 28,163 | | | 2,54,304 |
| **Total Financial Assets** | - | - | 38,69,718 | - | - | 42,66,286 |
| **Financial Liabilities** | | | | | | |
| Non-Current Borrowings | | | | | | |
| Debentures | | | | | | |
| Rupee Term Loan | | | | | | |
| Foreign Currency Term Loan | | | | | | |
| Obligation under Finance Lease | | | | | | |
| Trade Payables | | | 26,250 | | | 28,625 |
| **Total Financial Liabilities** | - | - | 26,250 | - | - | 28,625 |
| **Investment Properties** | | | | | | |

**As at 1st April 2015**

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Financial Assets** | | | |
| Investments | | | |
| Bonds | | | |
| Government Securities | | | 10,000 |
| Loans | | | |
| Loans to Associates | | | |
| Loans to Employees | | | |
| Security Deposits | | | |
| Cash and Cash Equivalents | | | 3,80,953 |
| Security Deposits | | | 17,500 |
| Fixed Deposits maturing after 12 months from Balance sheet date | | | 25,71,613 |
| Other Financial Assets | | | 40,010 |
| **Total Financial Assets** | - | - | 30,20,076 |
| **Financial Liabilities** | | | |
| Non-Current Borrowings | | | |
| Debentures | | | |
| Rupee Term Loan | | | |
| Foreign Currency Term Loan | | | |
| Obligation under Finance Lease | | | |
| Trade Payables | | | 25,590 |
| **Total Financial Liabilities** | - | - | 25,590 |
| **Investment Properties** | | | |

31.3 During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

31.4 **Explanation to the fair value hierarchy**

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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31.4.1 **Level 1** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

31.4.2 **Level 2** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) 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.

31.4.3 **Level 3** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

32 The following are the remaining contractual maturities of financial liabilities as at 31st March 2017.

a

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | 26,250 | | | | | |

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2016.

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | 28,625 | | | | | |

c The following are the remaining contractual maturities of financial liabilities as at 1st April 2015.

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | 25,590 | | | | | |

33 **Details of Specified Bank Notes held and transacted during the period 8th November 2016 to 30th December 2016 are provided as below:**

| Particulars | SBNs | Other | Total |
|---|---|---|---|
| Closing cash in hand as on 8th November 2016 | - | - | - |
| Add: Permitted Receipts | - | - | - |
| Less: Permitted Payments | - | - | - |
| Less: Amount deposited in Banks | - | - | - |
| Closing cash in hand as on 30th December 2016 | - | - | - |

34 Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

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Signature to Notes 1 to 34

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

Directors

Pankaj Daga
*Partner*
(Membership No. 0404056)

B. R. NAHAR
DIN:00049895

M. K. MEHTA
DIN:00085694

Place : SATNA
Dated : 24.05.2017

Place : KOLKATA
Dated : 23.05.2017

TALAVADI CEMENTS LIMITED
CIN : U72900WB1995PLC099355
STANDALONE STATEMENT OF CHANGE IN EQUITY
Statement of Change in Equity for the year ended 31st March, 2017

(` in Rs.)

a) **Equity Share Capital**

| | |
|---|---|
| Balance as at 1st April 2015 | 6,00,00,000 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March 2016 | 6,00,00,000 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March 2017 | 6,00,00,000 |

b) **Other Equity**

| | Reserve & Surplus | | | | | | Items of Other Comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Foreign Currency Monetary Item Translation Difference Account | Retained Earnings | Debt instrument through Other Comprehensive Income | Equity instrument through Other Comprehensive Income | Remeasurement of Defined Benefit Plans | Total |
| Balance as at 1st April, 2015 | | | | | | 1,85,11,601 | | | | 1,85,11,601 |
| Profit for the year | | | | | | 31,16,045 | | | | 31,16,045 |
| Transfer from Retained Earnings | | | | | | | | | | |
| Mark to market gain/loss through OCI | | | | | | | | | | |
| Deferred Tax | | | | | | | | | | |
| Reclassification of financial instruments from OCI to Retained Earnings | | | | | | | | | | |
| Other Comprehensive Income | | | | | | | | | | |
| Total Comprehensive Income for the year | - | - | - | - | - | 31,16,045 | - | - | - | 31,16,045 |
| Dividend Paid | | | | | | | | | | |
| Dividend Distribution Tax | | | | | | | | | | - |
| Transfer to Debenture Redemption Reserve | | | | | | | | | | |
| Transfer to General Reserve | | | | | | | | | | - |
| | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31st March, 2016** | - | - | - | - | - | 2,16,27,646 | - | - | - | 2,16,27,646 |

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| | Reserve & Surplus | | | | | | Items of Other Comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Foreign Currency Monetary Item Translation Difference Account | Retained Earnings | Debt instrument through Other Comprehensive Income | Equity instrument through Other Comprehensive Income | Remeasurement of Defined Benefit Plans | Total |
| Balance as at 31st March, 2016 | | | | | | 2,16,27,646 | | | | 2,16,27,646 |
| Profit for the year<br>Transfer from Retained Earnings<br>Mark to market gain/loss through OCI<br>Deferred Tax<br>Reclassification of financial instruments from OCI to Statement of Profit & Loss<br>Other Comprehensive Income | | | | | | 39,83,260 | | | | 39,83,260 |
| Total Comprehensive Income for the year | - | - | - | - | - | 39,83,260 | - | - | - | 39,83,260 |
| Dividends Paid<br>Dividend Distribution Tax<br>Transfer to Debenture Redemption Reserve<br>Transfer to General Reserve<br>Exchange Gain/(Loss) during the year | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2017 | - | - | - | - | - | 2,56,10,906 | - | - | - | 2,56,10,906 |

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

Pankaj Daga
*Partner*
(Membership No. 0404056)

Place : SATNA
Dated : 24.05.2017

Directors

B. R. NAHAR
DIN:00049895

M. K. MEHTA
DIN:00085694

Place : KOLKATA
Dated : 23.05.2017