



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of Reliance Cement Company Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Cement Company Private Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2018, 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its profit 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 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" 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 has disclosed the impact, if any, of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

Place : Kolkata
Dated : 14th May 2018

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No. 90104



Annexure "A" to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory requirements' of our report on even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W**

Ajay Gupta

**Ajay Gupta.
Partner
Membership No. 90104**

**Place : Kolkata
Dated : 14th May 2018**



Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report on even date)

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, the fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii As informed to us, inventories have been physically verified during the year by the management except goods in transit. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size and nature of the operations of the Company.
- iii The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company.
- iv The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has not made any investment, given any loan, given any guarantee or provided any security in connection with a loan within the provisions of section 186 of the Act.
- v The Company has not accepted deposits within the provisions of sections 73 to 76 of the Act and the Rules framed there under.
- vi We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records for the year with a view to determine whether they are accurate and complete.
- vii a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. We are informed that there is no liability of the Company on account of employees' state insurance during the year. There were no arrears of undisputed statutory dues as at 31st March, 2018, which were outstanding for a period of more than six months from the date they became payable.
b) There are no disputed dues which have remained unpaid as on 31st March, 2018 in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
- viii On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company does not have any loans or borrowings from financial institutions / Government in the books of accounts at any time during the year. The Company has not issued any debentures. Therefore the question of default in repayment of dues of debenture holders does not arise.
- ix The Company did not raise any money by way of initial / further public offer (including debt instruments) and term loans taken during the year have been applied for the purpose for which they were obtained.
- x According to information and explanations given to us and the representation obtained from the management, no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit.
- xi According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 of the Act. Therefore, the provisions of clause 3(xi) of the Order are not applicable.
- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order 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, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W**

Ajay Gupta

**Ajay Gupta.
Partner
Membership No. 90104**

**Place : Kolkata
Dated : 14th May 2018**



Balance Sheet as at 31st March 2018

Particulars	Notes	Rs. in lacs	
		As at 31.03.2018	As at 31.03.2017
ASSETS			
Non Current Assets			
Property, plant and equipment	2A	2,62,513.58	2,70,468.43
Capital work-in-progress	2B	34,414.06	34,751.23
Other Intangible assets	2C	1,170.07	1,206.98
Financial assets			
Loans	3	0.57	6.81
Others	4	6,586.10	4,396.82
Deferred tax Assets (Net)	5	11,803.93	-
Other non-current assets	6	4,270.92	1,347.92
Subtotal (A)		<u>3,20,759.23</u>	<u>3,12,178.19</u>
Current Assets			
Inventories	7	15,867.71	13,941.44
Financial assets			
Investments	8	-	200.06
Trade receivables	9	6,105.28	5,785.97
Cash and cash equivalent	10	1,824.67	1,066.83
Others	11	41,100.93	24,954.42
Other current assets	12	8,326.21	4,330.99
Subtotal (B)		<u>73,224.80</u>	<u>50,279.71</u>
Total Assets (A+B)		<u>3,93,984.03</u>	<u>3,62,457.90</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	31,282.30	31,282.30
Other Equity		63,942.90	44,844.33
Total equity(C)		<u>95,225.20</u>	<u>76,126.63</u>
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	14	2,21,761.78	2,31,374.42
Other Financial Liabilities	15	12,016.77	9,062.50
Provisions	16	1,012.30	826.81
Total Non Current Liabilities (D)		<u>2,34,790.85</u>	<u>2,41,263.73</u>
Current Liabilities			
Financial Liabilities			
Borrowings	17	2,853.83	-
Trade Payables	18	21,606.13	18,960.35
Other financial Liabilities	19	29,937.01	20,458.86
Provisions	20	53.37	63.90
Other Current Liabilities	21	9,517.64	5,584.43
Total Current Liabilities (E)		<u>63,967.98</u>	<u>45,067.54</u>
Total Equity and Liabilities (C+D+E)		<u>3,93,984.03</u>	<u>3,62,457.90</u>

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.109208W

Ajay Gupta
Ajay Gupta
Partner
Membership No.090104

Place : Kolkata
Dated : 14.05.2018



For and on behalf of the Board of Directors

H.V. Lodha
Harsh V. Lodha
Chairman
(DIN: 00394094)

Arun Agarwal
Arun Agarwal
Chief Financial Officer

Bachh Raj Nahar
Bachh Raj Nahar
Managing Director
(DIN: 00049895)

Manoj Kumar Mehta
Manoj Kumar Mehta
Company Secretary



Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Notes	Rs. in lacs	
		Year ended 31.03.2018	Year ended 31.03.2017
INCOME			
Revenue from operations	22	2,18,504.97	1,84,432.78
Other income	23	482.28	3,318.73
Total Income		2,18,987.25	1,87,751.51
EXPENSES			
Cost of materials consumed	24	24,179.38	14,723.61
Purchases of stock in trade	25	97.92	1.86
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	1,694.24	(1,704.65)
Employee benefits expense	27	9,355.43	7,805.11
Finance costs	28	22,268.58	22,981.11
Depreciation and amortization expense	29	15,544.26	14,984.69
Other expenses	30	1,36,892.80	1,26,073.42
Total Expenses		2,10,032.61	1,84,865.15
Profit before exceptional items		8,954.64	2,886.36
Exceptional items	33		1,40,302.00
Profit / (Loss) before tax		8,954.64	(1,37,415.64)
Tax Expenses	5		
Current Tax		1,670.00	-
Deferred Tax		(11,807.05)	-
Profit / (Loss) for the year		19,091.69	(1,37,415.64)
Other Comprehensive Income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains/ (losses) on defined benefit plans		10.00	64.70
Tax Effect on above		3.12	
Other comprehensive income for the year		6.88	64.70
Total comprehensive income for the year		19,098.57	(1,37,350.94)
Earning per Equity Share of Rs 10 each			
Basic (Rs)	31	6.10	(43.93)
Diluted (Rs)		6.10	(43.93)

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No.090104

Place : Kolkata
Dated : 14.05.2018

For and on behalf of the Board of Directors

H.V. Lodha

Harsh V. Lodha
Chairman
(DIN: 00394094)

Bachh Raj Nahar

Bachh Raj Nahar
Managing Director
(DIN: 00049895)

Arun Agarwal
Arun Agarwal
Chief Financial Officer

Manoj Kumar Mehta
Manoj Kumar Mehta
Company Secretary



Statement of Cash Flows for the year ended 31 March 2018

	Rs. in lacs	
	<u>Year ended</u> <u>31.03.2018</u>	<u>Year ended</u> <u>31.03.2017</u>
Cash Flow from Operating Activities:		
(Loss) / Profit after Exceptional Items & before Tax	8,954.64	(1,37,415.68)
Adjustments for :		
Depreciation & Amortisation	15,544.26	14,984.69
Interest Income	(19.13)	(202.72)
Gain on Sale of Mutul Fund (FVTPL)	(31.01)	(25.58)
Fair Value of Mutul Fund (FVTPL)	-	(0.06)
(Profit)/Loss on sale of Fixed Assets (Net)	(2.75)	8.11
Discard of Fixed Assets / CWIP (Net)	-	1,553.64
Investment in Subsidiary written off	-	1,40,302.00
Provision for Doubtful Debt	-	475.39
Unrealised Foreign Exchange Fluctuations	112.35	(410.15)
Finance Costs	22,107.31	22,981.12
Interest rate swap	-	(10.35)
MTM of forward contract	8.76	289.27
Unwinding of interest on mine closure liability	24.38	(28.14)
Unwinding of interest on Loan	136.89	-
Loss on extinguishment of financial liabilities	387.69	-
Unwinding Interest on Security Deposit	-	(4.06)
Operating Profit before Working Capital changes	<u>47,223.39</u>	<u>42,497.48</u>
Adjustments for :		
Trade Receivables	(319.31)	(1,268.12)
Inventories	(1,926.28)	(2,207.02)
Loans	6.24	31.77
Other Financial Asset	(18,509.89)	(399.85)
Other Current Asset	(3,995.24)	(9,784.60)
Other Non Current Asset	104.07	(1,299.16)
Trade Payables	2,532.27	(429.56)
Other Financial liabilities	10,984.80	(95.31)
Other Liabilities	3,933.21	1,070.26
Provisions	160.59	155.14
Cash generated from operations	<u>40,193.85</u>	<u>28,271.03</u>
Direct Taxes Paid	<u>(1,843.07)</u>	<u>(78.51)</u>
Net Cash from Operating Activities	<u>38,350.78</u>	<u>28,192.52</u>
Cash Flow from Investing Activities:		
Purchase of Tangible Asset	(7,512.40)	(7,561.10)
Purchase of Intangible Asset	(69.09)	(118.62)
Purchase of Capital Work In Progress	457.70	(4,817.98)
Capital Advances	(2,853.97)	4,855.58
Capital Payables	(722.34)	1,070.34
Sale of Tangible Assets	5.92	40.83
Purchase of Investments	(42,604.00)	(16,028.62)
Sale of Investments	42,835.07	15,854.20
Investment in Fixed Deposits Net	164.49	(57.90)
Interest received	28.76	377.76
Net Cash used in Investing Activities	<u>(10,269.86)</u>	<u>(6,385.51)</u>
Cash Flow from Financing Activities		
Proceeds from Long term Borrowings	66,912.75	66,131.97
Repayments of Long Term Borrowings	(75,861.93)	(49,133.59)
(Repayments) / Proceeds from Short Term Borrowings	2,854.99	(20,809.22)
Interest Paid	(21,228.89)	(22,507.79)
Net Cash used in Financing Activities	<u>(27,323.08)</u>	<u>(26,318.63)</u>
Net Increase in Cash and Cash Equivalents	757.84	(4,511.62)
Cash and Cash Equivalents (Opening Balance)	1,066.83	5,578.45
Cash and Cash Equivalents (Closing Balance)	<u>1,824.67</u>	<u>1,066.83</u>



Statement of Cash Flows for the year ended 31 March 2018

	Rs. in lacs	
	Year ended 31.03.2018	Year ended 31.03.2017
Break up of Closing Cash & Cash Equivalent		
Current Account	1,817.79	1,056.39
Cash in Hand	6.88	4.99
Cheques on hand	-	5.45
	1,824.67	1,066.83
	<u>Long term borrowings</u>	<u>Short term borrowings</u>
Reconciliation of liabilities from financing activities		
As at 31.03.2017	2,40,397.68	-
Proceeds	66,912.75	59,681.46
Repayments	(75,861.93)	(56,826.47)
Foreign exchange and other adjustment	619.31	(1.16)
As at 31.03.2018	2,32,067.81	2,853.83

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No.090104

Place : Kolkata
Dated : 14.05.2018

For and on behalf of the Board of Directors

H.V. Lodha

Hersh V. Lodha
Chairman
(DIN: 00394094)

Arun Agarwal

Arun Agarwal
Chief Financial Officer

Bachh Raj Nahar

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Managing Director
(DIN: 00049895)

Manoj Kumar Mehta

Manoj Kumar Mehta
Company Secretary



Reliance Cement Company Private Limited
CIN No: U26940MH2007PTC173458

Statement of Changes in Equity

Rs. in lacs

(a) Equity Share Capital

Particulars	Amount
As at 1.4.2016	3,128.23
Changes in equity share capital during the year	-
Balance as at 31.3.2017	3,128.23
Changes in equity share capital during the year	-
Balance as at 31.3.2018	3,128.23

(b) Other Equity

Particulars	Reserves and Surplus		Total impact on Other equity
	Retained earning	Securities Premium Account	
As at March 31, 2016	(25,656.43)	2,07,851.70	1,82,195.27
Adjustments:			
Loss for the year	(1,37,415.64)	-	(1,37,415.64)
Other Comprehensive Income	64.70	-	64.70
Transfer to retained earnings to the extent of reduction in share capital in pursuant to court order (Refer to note 35)	1,40,302.00	(1,40,302.00)	-
Total Adjustments	2,951.06	(1,40,302.00)	(1,37,350.94)
As at March 31, 2017	(22,705.37)	67,549.70	44,844.33
Adjustments:			
Profit for the year	19,091.69	-	19,091.69
Other Comprehensive Income	6.88	-	6.88
Total Adjustments	19,098.57	-	19,098.57
As at March 31, 2018	(3,606.80)	67,549.70	63,942.90

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Ajay Gupta
Ajay Gupta
Partner
Membership No.090104

H.V. Lodha
Harsh V. Lodha
Chairman
(DIN: 00394094)

Bachh Raj Nahar
Bachh Raj Nahar
Managing Director
(DIN: 00049895)

Place : Kolkata
Dated : 14.05.2018

Arun Agarwal
Arun Agarwal
Chief Financial Officer

Manoj Kumar Mehta
Manoj Kumar Mehta
Company Secretary



Reliance Cement Company Private Limited

CIN No:U26940MH2007PTC173458

Notes to Standalone Financial Statements for the year ended 31st March, 2018

1. Company Overview and Significant Accounting Policies

1.1 Company Overview

Reliance Cement Company Private Limited ("the Company") is a wholly owned subsidiary of Birla Corporation Limited, the flagship company of the M. P. Birla group, w.e.f. 22nd August 2016. The Company is incorporated in India having its registered office located at Industry House, 2nd Floor, 159, Churchgate Reclamation, Mumbai – 400 020. The Company is engaged in manufacturing and trading of different types of cement and allied products. The Company had set up a fully integrated cement unit at Maihar (Madhya Pradesh) and grinding unit at Butibori (Maharashtra) and Kundanganj (Uttar Pradesh). The company also has limestone and coal mines.

1.2 Basis of preparation and Presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and on an accrual basis except for the following:

- i. Derivative financial instruments,
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.3 Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. An overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed in note no. 1.4. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

1.4 Significant Estimates and judgments

a. Depreciation and useful lives of Property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on technical evaluation and take into account anticipated technological changes. Depreciation for future periods is adjusted if there are significant changes from previous estimates.



b. Deferred tax asset:

Recognition of net deferred tax asset on carried forward losses and unabsorbed depreciation during the year. Refer note no. 5 to the financial statement.

c. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change.

d. Estimation of defined benefits obligations – refer note no. 27

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

1.5 Property, Plant and equipment

Freehold land other than used for mining activity are carried at cost. All other items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item 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.

Depreciation on property, plant and equipment is provided on straight-line method on the basis of estimated useful life of the assets except freehold land used for mining activity which is depreciated based on unit of production method. The expected useful life and the expected residual value are reviewed at the end of each financial year. If the expected useful life and the expected residual value of an asset are significantly different from its previous estimates, depreciation is being provided on the revised depreciable amount of the assets over the remaining useful life.

The management estimates the useful lives for the tangible assets as follows:

<u>Property, plant and equipment</u>	<u>Useful life</u>
Leasehold land	: Over the period of lease
Freehold mines	: Units of production*
Building and roads	: 3-60 years
Plant and machinery and electrical installations	: 10-25 years
Railway sidings	: 15 years
Office equipment	: 5 years
Computer and peripherals	: 3-6 years
Furniture and fixtures	: 10 years
Motor vehicles	: 8 years

For the above classes of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The residual values are not more than 5% of the original cost of the assets.



*Cost of freehold land used for mining activities are depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

1.6 Capital work in progress

Capital work-in-progress includes assets under construction in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss.

Mine development expenses includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of mineral pre-operative expenditure incidental/directly attributable to development, borrowing cost etc. These expenses are carried forward and disclosed as 'Project development expenditure' and will be capitalized under appropriate head once the mine starts the commercial production.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work in progress.

1.7 Intangible Assets

Computer and other licensed software are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Mining Rights:

Mining Rights covered under are stated at cost on initial recognition and subsequently at cost less accumulated amortization & accumulated impairment loss, if any. Estimated costs of dismantling and removing the item and restoring the site at present value are also capitalized separately as 'Mine Closure asset'.

Intangible assets are amortised using straight line method over its useful life except mining right which are amortised based on unit of production method. The management estimates the useful lives for the intangible assets as follows:

<u>Intangible asset</u>	<u>Useful life</u>
Computer softwares	: 3 years
Licensed software	: Over the license period
Mining rights and development	: Over the License Period

1.8 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.



1.9. Stripping cost

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably

The stripping activity asset is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment losses. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Company as lessee:

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.11 Inventories

Inventories are stated at lower of cost and net realizable value. Raw material, fuel, stores and spare parts, packing materials and traded goods cost includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Work-in-progress and finished goods cost comprises of raw material, direct labour, other direct costs and related production overhead. Cost is determined using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

1.12 Financial Instruments

- 1 Financial asset



i. Initial recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not fair value through profit and loss, are adjusted to the fair value on initial recognition.

ii. Subsequent measurement

➤ Financial assets carried at Amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect 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 on principal outstanding.

➤ Financial assets at Fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal outstanding.

➤ Financial asset at Fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

iii. Impairment of financial assets

The Company assesses impairment of financial assets carried at amortised cost based on expected credit loss model (ECL). The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses historical loss experience to determine the impairment loss allowance on trade receivables. At each reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

2 Financial liabilities

i. Initial recognition and Measurement

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognized in profit and loss as finance cost.

ii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

3 Equity instruments

The Company measures its equity investment other than in subsidiary at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity instruments in other comprehensive income (currently no such choice made), there is no subsequent reclassification on sale or otherwise, of fair value gains and losses to the statement of profit and loss.



- 4 Interest income is recognized using effective interest rate method. Dividends are recognized in the statement of profit and loss only when the right to receive payment is established.

5 Derecognition of financial instruments

The Company derecognizes financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or part of financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.13 Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

1.14 Borrowings

Borrowings are initially recognized at net of transaction cost incurred and measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the statement of profit and loss over the period of borrowings using the effective interest rate.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognized in statement of profit and loss as finance cost.

1.15 Employee Benefits

Employee benefits includes salaries and wages, provident fund, gratuity, compensated absences and other welfare and terminal benefits.

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance and other welfare and terminal benefits.

Defined contribution plans:

Contributions to defined contribution schemes such as provident fund, superannuation, etc are recognized as on expense during the year in which the employee renders the related service.

Compensated absence:

Benefits comprising compensated absences as per company policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.



Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Company has taken the group policy with Reliance Nippon Life Insurance Company Limited to meet its obligation towards gratuity. Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary.

1.16 Foreign Currency Transactions and translations

Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions and Translations:

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transactions dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and resultant exchange differences are recognized in the statement of profit and loss except exchange differences relating certain long term monetary items outstanding as at 31st March, 2016 in so far as they relate to the acquisition of fixed assets are adjusted in the carrying amount of such, in accordance the option available to the Company under Ind AS 101.

1.17 Income tax

Current income tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

1.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes / goods and service tax and amounts collected on behalf of third parties.

Revenue is recognised 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.

The specific recognition criteria described below must also be met before revenue is recognized:

- The Company has transferred risk and rewards incidental to ownership to the customer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- It is probable that the economic benefits associated with the transactions will flow to the Company
- It can be reliably measured and it is reasonable to expect ultimate collection.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

Sale of services:

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and are recognised net of service tax

All other income is accounted on accrual basis when no significant uncertainty exists regarding the amount that will be received.

1.19 Government Grants

Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relating to income is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. VAT incentives are recognized in the statement of profit and loss under Other operating revenues.

Grants relating to property, plant and equipment are included in Non current liabilities as deferred income and are credited to Profit and loss on a straight line basis over the expected lives of related assets.



1.20 Borrowing Cost

Borrowing costs include interest, other costs incurred in connection with borrowing. General and specific borrowing costs directly attributable to the acquisition, construction, production or development of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

1.21 Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when there is a possible obligation that arises from events and whose existence is only confirmed by one or more doubtful future events or when there is an obligation that is not recognised as a liability or provision because it is not likely that an outflow of resources will be required.

1.22 Segment reporting

Segment information is reported as per Indian Accounting Standard 108. The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker.

1.23 Recent Accounting Pronouncements

(a) Ind AS 115-Revenue from Customers

On March 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue when the control of goods or services underlying the particular performance obligation is transferred to customers. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainties of revenue and cash flows arising from the underlying terms and conditions of the contract between the entity and customer. An entity may choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information (Catch up transition Method). The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

(b) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018 MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transaction and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use an initial recognition of the related asset, liability, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and impact is not material.



2A. Property, Plant and Equipment and Intangible Assets

Rs. in lacs

Particulars	Leasehold land	Freshhold land	Building and roads	Leasehold Improvements	Plant and machinery	Railway sidings	Electrical installations	Computer and peripheral	Furniture and fixtures	Motor vehicle	Office equipment	Total
Gross Block												
As at March 31, 2016	6,350.50	21,925.67	41,839.27	-	1,88,483.02	6,038.34	27,528.83	353.35	269.24	277.26	204.89	2,93,270.37
Additions	429.74	60.94	279.23	-	3,749.51	2,174.90	152.31	21.93	10.22	-	8.19	6,886.97
Disposal	-	-	2.01	-	83.97	-	-	6.81	-	32.92	0.62	126.33
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	6,780.24	21,986.61	42,116.49	255.13	1,92,148.56	8,213.24	27,681.14	368.47	279.46	244.34	212.46	3,00,031.01
Additions	-	135.75	901.38	-	5,263.34	-	663.34	114.99	48.33	8.96	121.18	7,512.40
Disposal	-	-	-	-	-	-	-	-	-	21.02	-	21.02
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	6,780.24	22,122.36	43,017.87	255.13	1,97,411.90	8,213.24	28,344.48	483.46	327.79	232.28	333.64	3,07,522.39
Accumulated Depreciation												
As at March 31, 2016	64.34	148.59	1,577.61	-	9,631.96	388.14	2,585.21	113.51	32.78	49.72	55.47	14,647.33
Charge for the year	83.53	219.61	1,607.78	-	9,839.60	452.63	2,558.67	80.96	30.13	37.32	46.15	14,956.38
Disposal	-	-	0.67	-	14.72	-	-	5.56	-	20.05	0.13	41.13
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	147.87	368.20	3,184.72	-	19,456.84	840.77	5,143.88	188.91	62.91	66.99	101.49	29,562.58
Charge for the year	84.61	227.27	1,612.38	12.03	10,157.19	535.56	2,650.46	68.83	34.35	33.50	47.89	15,464.07
Disposal	-	-	-	-	-	-	-	-	-	17.84	-	17.84
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	232.48	595.47	4,797.10	12.03	29,614.03	1,376.33	7,794.34	257.74	97.26	82.65	149.38	45,008.81
Net carrying amount												
As at March 31, 2016	6,286.16	21,777.08	40,261.66	-	1,78,851.06	5,650.20	24,943.62	239.84	236.46	227.54	149.42	2,78,623.04
As at March 31, 2017	6,632.37	21,618.41	38,931.77	-	1,72,691.72	7,372.47	22,537.26	179.56	216.55	177.35	110.97	2,70,468.43
As at March 31, 2018	6,547.76	21,526.89	38,220.77	243.10	1,67,797.87	6,836.91	20,550.14	225.72	230.53	149.63	184.26	2,62,513.58

1. All the above assets are pledged as security with the Bank (s) against borrowings.

2. The Company has capitalised foreign exchange fluctuation during the year on long term foreign currency monetary items relating to depreciable capital asset amounting to Rs 137.23 lacs (exchange Loss) [PY 31.03.2017 - Rs 641.11 Lacs (Exchange Gain)]



Reliance Cement Company Private Limited

2B. Capital work in Progress

Particulars	As at	As at
	31.03.2018	31.03.2017
A. Assets under construction	7,854.91	6,977.50
B. Expenditure incurred on Project Development Pending Captlisation / allocation*	26,559.15	27,791.41
C. Adjustments	-	(17.68)
Total	34,414.06	34,751.23

* Expenditure incurred on Project Development Pending Captlisation / allocation*

Particulars	Salaries, wages and bonus	Finance costs #	Depreciation	Licences, Clearances, Taxes etc	Other Expenses	Total
March 31, 2016	14,000.11	1,552.84	178.55	651.96	4,675.49	21,058.95
Incurred during the year	619.47	2,143.62	55.09	5,453.06	74.39	8,345.63
Captlised during the year	726.83	306.98	35.84	25.45	518.07	1,613.17
March 31, 2017	13,892.75	3,389.48	197.80	6,079.57	4,231.81	27,791.41
Incurred during the year	179.78	1,021.18	34.54	235.67	251.35	1,722.52
Captlised during the year	649.66	842.24	27.08	879.76	556.04	2,954.78
March 31, 2018	13,422.87	3,568.42	205.26	5,435.48	3,927.12	26,559.15

The borrowing cost on specific borrowings has been capitalised at the rate applicable for respective borrowings.

2C. Other Intangible Assets

Particulars	Computer software	Mining Right	Mining Closure Asset	Total
Gross Block				
As at March 31, 2016	234.34	692.87	331.01	1,258.22
Additions	118.62	-	-	118.62
Disposal	-	-	-	-
As at March 31, 2017	352.96	692.87	331.01	1,376.84
Additions	69.09	-	-	69.09
Disposal	-	-	-	-
As at March 31, 2018	422.05	692.87	331.01	1,445.93
Accumulated Depreciation				
As at March 31, 2016	68.70	14.32	3.44	86.46
Charge for the year	55.14	14.32	13.94	83.40
Disposal	-	-	-	-
As at March 31, 2017	123.84	28.64	17.38	169.86
Charge for the year	77.74	14.32	13.94	106.00
Disposal	-	-	-	-
As at March 31, 2018	201.58	42.96	31.32	275.86
Net carrying amount				
As at March 31, 2016	165.64	678.55	327.57	1,171.76
As at March 31, 2017	229.12	664.23	313.63	1,206.98
As at March 31, 2018	220.47	649.91	299.69	1,170.07



Reliance Cement Company Private Limited

Rs. in lacs

	<u>As at</u> <u>31.03.2018</u>	<u>As at</u> <u>31.03.2017</u>
3 Loans		
(At amortized cost)		
<i>(Unsecured, considered good)</i>		
Loans to employees	0.57	6.81
	<u>0.57</u>	<u>6.81</u>
4 Other Non Current Financial Assets		
(At amortized cost)		
Bank Deposits *	107.79	272.28
Security deposits	2,005.99	1,601.34
VAT incentive receivables (Refer footnote of Note 11)	4,472.32	2,523.20
	<u>6,586.10</u>	<u>4,396.82</u>

* Bank Deposits represents Deposits marked lien in favour of Govt Authorities/ Bank Guarantee

5 Deferred tax asset (Net)

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

<u>Deferred tax assets on account of -</u>		
Trade Receivables	148.32	146.89
Mine Closure Liability	124.31	113.21
Items Allowable when paid	1,171.50	630.70
Carried forward Losses and unabsorbed depreciation	36,457.26	35,642.04
	<u>37,901.39</u>	<u>36,532.84</u>
<u>Deferred tax liabilities on account of -</u>		
Property, Plant & Equipment and Intangible Assets	25,899.53	22,945.75
Financial Liabilities / Assets at amortized cost	197.93	341.68
	<u>26,097.46</u>	<u>23,287.43</u>
Deferred tax asset / (liability) comprises of:	<u>11,803.93</u>	<u>13,245.41</u>

Till last year the company has not recognised deferred tax asset, as the management was not able to estimate the likely timing and level of future taxable profit that will be available against which the losses can be utilised. However, in the current year, based on the projection of future years the management is reasonably certain that it can set off the carry forward tax losses, thus as at 31st March 2018, net deferred tax asset has been recognised. Further in respect of MAT credit of Rs 1670.00 lacs, the management is not able to estimate the likely timing against which the MAT credit can be utilised, therefore the management has determined that it cannot recognise the MAT credit entitlement as on the reporting date. Since there was no tax recognised in the previous year, effective tax reconciliation of previous year have not given.

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

<u>Reconciliation of Deferred tax asset</u>	
Opening deferred tax asset (Net)	-
Deferred tax credit recorded in statement of profit and loss	11,807.05
Deferred tax charge recorded in OCI	(3.12)
Closing deferred tax Assets, net	<u>11,803.93</u>

The major components of income tax expense for the years ended 31 March 2018 are

Current income tax charge (MAT)	1,670.00
Deferred tax credit	(11,807.05)
Income tax expenses reported in the statement of profit or loss	<u>(10,137.05)</u>

Reconciliation of tax expense and the accounting profit for 31 March 2018

Accounting profit before income tax	8,954.67
Enacted income tax rate	31.20%
Statutory income tax at enacted rate	2,793.86
Permanent disallowances	440.11
Deferred tax asset on IT losses not recognised earlier	(13,245.41)
Tax effect on items chargeable at differential rates & others	(1,795.61)
MAT credit entitlement not recognised	1,670.00
	<u>(10,137.05)</u>



Reliance Cement Company Private Limited

Rs. in lacs

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6 Other Non-current Assets

(Unsecured, Considered Good)

Capital advances	3,863.72	1,009.75
Balances with Government & Statutory Authorities	-	104.07
Advance income tax (Net of Provision) (Net of Provision Rs. 1670.00 lacs, Previous year - Nil)	407.20	234.10
	<u>4,270.92</u>	<u>1,347.92</u>

7 Inventories

Stores and spares	5,143.76	4,206.64
Packing materials	573.58	465.50
Raw materials	1,573.23	1,559.95
Work-in-progress	2,379.42	4,038.02
Finished goods	2,620.72	2,656.36
Fuel	3,577.00	1,014.97
	<u>15,867.71</u>	<u>13,941.44</u>

Note: The above Inventory includes Material in transit as under

Raw materials	188.30	88.19
Fuel	196.73	-
Stores and spares	2.52	-
	<u>387.55</u>	<u>88.19</u>

8 Investments

(Classified at Fair Value through Profit and Loss (FVTPL))

Investment in Mutual Funds	-	200.06
Quoted - HDFC Liquid Fund - Direct Plan - Growth Option- Nil (31 March 17: 6234.55 Units)	-	-
	<u>-</u>	<u>200.06</u>

9 Trade Receivables

From related parties

Unsecured, considered good	-	984.14
----------------------------	---	--------

From Others

Secured, considered good	2,720.79	2,103.72
Unsecured, considered good	3,384.49	2,698.11
Unsecured, considered doubtful	475.39	475.39
Allowance for doubtful debts	(475.39)	(475.39)
	<u>6,105.28</u>	<u>5,785.97</u>

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.



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10 Cash and Cash Equivalent

Cash on hand	6.88	4.99
Cheques on hand	-	5.45
Balances with banks:		
- On current / cash credit accounts	1,817.79	1,056.39
- Deposits	107.79	272.28
Less : Shown under other non current financial assest	(107.79)	(272.28)
	<u>1,824.67</u>	<u>1,066.83</u>
Earmarked balances held as margin money	107.79	272.28
Deposits with original maturity with more than 12 months maturity	107.79	272.28

Cash & cash equivalent includes deposit maintained by the company with banks, which can be withdrawn by company at any point of time without prior notice or penalty on the principal

11 Other Current Financial Assets

(At amortized cost)

VAT Incentive receivable*	41,088.16	24,921.68
Interest accrued but not due on bank deposit	12.77	22.39
Interest Rate Swap (IRS) Receivable	-	10.35
	<u>41,100.93</u>	<u>24,954.42</u>

* The Company's manufacturing plants at Maihar (Madhya Pradesh), Kundanganj (Uttar Pradesh) and Butibori (Maharashtra) are eligible for government grant in the form of incentives of 75% in case of Madhya Pradesh, 80% in case of Uttar Pradesh and 25% in case of Maharashtra of the VAT / CST / GST paid to respective state's treasury pursuant to Industrial Promotion Policy, 2010 (MP Mega Project Policy), Infrastructure Investment Policy, 2012 (UP Mega Project Policy) and Package Scheme of Incentive 2007 (Maharashtra 2007 scheme), respectively.

12 Other Current Assets

(Unsecured, Considered Good)

Advances recoverable in cash or in kind	81.71	84.35
Prepaid expenses	167.98	165.04
Advance to vendors	4,551.58	2,299.38
Advance to employees	51.65	45.51
Balances with Government & Statutory Authorities	3,473.29	1,736.71
	<u>8,326.21</u>	<u>4,330.99</u>



Reliance Cement Company Private Limited

	Rs. in lacs	
	<u>As at</u> <u>31.03.2018</u>	<u>As at</u> <u>31.03.2017</u>
13 Equity Share Capital		
Authorised :		
400,000,000 (31 March 2017- 400,000,000) equity shares of Rs. 10/- each	40,000.00	40,000.00
	<u>40,000.00</u>	<u>40,000.00</u>
Issued, subscribed & fully paid up		
312,823,000 (31 March 2017- 312,823,000) equity shares of Rs. 10/- each	31,282.30	31,282.30
	<u>31,282.30</u>	<u>31,282.30</u>
(a) Terms/ rights attached to equity shares		
i) The Company's equity shares have a par value of Rs. 10/- each. 'Holder of equity shares is entitled to one vote per share.		
ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company, if any remaining after distribution of all preferential accounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(b) Reconciliation of number of shares outstanding		
At the beginning of the year	3,128.23	3,128.23
Issued during the year	-	-
Outstanding at the end of the year	<u>3,128.23</u>	<u>3,128.23</u>
(c) Shares held by Holding Company		
Birla Corporation Limited	3,128.23	3,128.23
% holding	100%	100%
(d) Shares held by each shareholder holding more than 5% shares		
Birla Corporation Limited	3,128.23	3,128.23
% holding	100%	100%
14 Long Term Borrowings		
At Amortised Cost		
Secured		
Loan from Banks		
Ruppee term loans	1,94,418.70	1,69,566.62
Foreign currency term loans	15,978.39	47,284.16
Unsecured		
Loan from Banks		
Foreign currency term loans	11,670.72	13,546.90
Other loans from related party		
10% Redeemable Cumulative Preference Shares*	10,000.00	10,000.00
* Subscribed by Birla Corporation Limited (Holding Company)		
	<u>2,32,067.81</u>	<u>2,40,397.68</u>
Less : Current maturities of long term borrowings at the year end (Refer note no 19)		
Secured		
Loan from Banks		
Ruppee term loans	4,708.51	3,891.81
Foreign currency term loans	3,652.40	3,196.18
Unsecured		
Loan from Banks		
Foreign currency term loans	1,945.12	1,935.27
	<u>10,306.03</u>	<u>9,023.26</u>
	<u>2,21,761.78</u>	<u>2,31,374.42</u>



Reliance Cement Company Private Limited

Rs. in lacs

As at
31.03.2018 **As at**
31.03.2017

Rupee term loans from banks (Secured)

Term loan of Rs 1,66,379.09 lacs (includes processing fees of Rs. 1031.69 lacs netted of above) (rate of interest @ 1yr MCLR plus spread of 0.40% to 0.90% p.a) (including current maturities of Rs 4508.51 lacs) from Bank (s) is secured by way of first charge on all present and future movable and immovable fixed assets pertaining to Maihar, Madhya Pradesh and Kundanganj, Uttar Pradesh and Coal mines located at Sial Ghogri, Madhya Pradesh, ranking pari passu with other lender banks and second charge on entire current assets of the company ranking pari passu with other lender banks. The loan is repayable in 43 unequal quarterly installments starting from June 2018 and ending on December 2028 in the following manner:

Particulars	Installment	Installment
4 installments from June 2018 to March 2019	1,127.13	4,508.51
8 installments from June 2019 to March 2021	1,996.81	15,974.46
4 installments from June 2021 to March 2022	3,194.85	12,779.40
4 installments from June 2022 to March 2023	3,993.61	15,974.46
8 installments of each from June 2023 to March 2025	4,392.70	35,141.56
14 installments from June 2025 to September 2028	4,792.28	67,091.88
1 installment on December 2028	14,908.82	14,908.82
	34,406.20	1,66,379.09

Rupee Term Loan from Axis Bank (earlier FCTL)

Foreign Currency Term Loan from Axis Bank Ltd. was converted into Rupee Term Loan of Rs 29000 lacs on 21st August 2017 (including processing fees of Rs. 503.47 lacs netted off above) (rate of interest @ 6M MCLR plus 90 bps p.a) .This loan is secured by way of subservient charge on all present and future movable and immovable property, plant & equipment and certain intangible assets of the Company except assets relating to Maihar, Madhya Pradesh and Kundanganj, Uttar Pradesh ranking pari passu with other lenders. Further the loan is secured by Corporate Guarantee of the Holding Company viz., Birla Corporation Limited. The loan is repayable in 36 unequal quarterly installments starting from November, 2019 and ending on August, 2028 in the following manner:

Particulars	Installment	Installment
2 installment from November 2019 to February 2020	101.50	203.00
2 installment of from May 2020 to August 2020	203.00	406.00
2 installment from November 2020 to February 2021	406.00	812.00
4 installment from May 2021 to February 2022	609.00	2,436.00
6 installment from May 2022 to August 2023	812.00	4,872.00
2 installment from Nov 2023 to February 2024	1,000.50	2,001.00
18 installment from May 2024 to August 2028	1,015.00	18,270.00
	4,147.00	29,000.00

Rupee Term Loan from Axis Bank (WHRS)

Term Loan of Rs 698.07 lacs (amount drawn till 31.03.2018), remaining will be drawn subsequently (includes processing fees of Rs 123.30 lacs netted off above) (rate of interest One Year MCLR) (Including current maturity of Rs. 200 lacs) is secured by entire movable and immovable fixed assets of Maihar, Madhya Pradesh, both present and future ranking pari passu with other lender banks. The loan is to be payable in 40 equal quarterly instalments of Rs.200 lacs starting 31.03.2019 till 31.12.2028 and 1 quarterly instalment of an amount of Rs.300 lacs payable on 31.03.2029.

Foreign Currency Loans from banks (Secured)

External Commercial Borrowing from DBS Bank Ltd, Singapore of Rs 8,938.95 lacs (rate of interest 1M LIBOR plus 175 bps p.a) (including current maturities of Rs 2,234.74 lacs) is secured by way of first charge on all present and future movable and immovable fixed assets pertaining to Maihar and Gondavali in Madhya Pradesh, Kundanganj in Uttar Pradesh, ranking pari passu with other lender banks (s) and second charge on entire current assets of Maihar and Kundanganj ranking pari passu with other lender banks (s). The loan is repayable in remaining 16 equal quarterly installments (June, 2018 to March, 2022) of Rs 558.68 lacs each.

External Commercial Borrowings from SBI (Mauritis) Limited of Rs 7,039.44 lacs (rate of interest 6M LIBOR plus 452 bps p.a) (including current maturities of Rs 1,417.66 lacs) is secured by way of of first charge on all present and future movable and immovable fixed assets pertaining to Maihar and Gondavali in Madhya Pradesh and Kundanganj in Uttar Pradesh ranking pari passu with other lender bank (s) and second charge on entire current assets of Maihar and Kundanganj ranking pari passu with other lender banks (s). The loan is repayable in remaining 11 quarterly unequal installments in the following manner:

Particulars	Installment	Total
2 installments from June 2018 to September 2018	317.75	635.50
2 installments from December 2018 to March 2019	391.08	782.16
2 installment of from June 2019 to September 2019	659.95	1,319.90
2 installment of from December 2019 to March 2020	831.05	1,662.09
3 installments from June 2020 to December 2020	879.93	2,639.79
	3,079.76	7,039.44

Foreign Currency Loans from banks (Unsecured)

External Commercial borrowing from Deutsche Bank, Germany of Rs 11,670.72 lacs (rate of interest 6M LIBOR plus 175 bps p.a) (including current maturities of Rs 1,945.12 lacs) is secured by way of Corporate Guarantee of the Holding Company viz., Birla Corporation Limited. The loan is repayable in remaining 12 semi-annual equal installments of Rs 972.56 lacs each.

10% cumulative Preference Share (unsecured)

100 lacs Preference shares of Rs. 100 each are held by the holding company viz., Birla Corporation Limited carries voting rights as prescribed under section 47 (2) of the Companies Act 201 . These preference shares will be redeemed in December 2021. The non convertible preference share carry preference share right vis-a-vis equity shares of the company with respect to payment of dividend and repayment of capital in the event of winding up.



Reliance Cement Company Private Limited

Rs. in lacs

As at
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31.03.2017

15 Other Non Current Financial Liabilities

Security Deposits from customers	10,215.67	8,435.68
Security Deposits - Others	371.67	350.11
Interest accrued Cumulative Redeemable Preference Share Capital	1,429.43	276.71
	<u>12,016.77</u>	<u>9,062.50</u>

16 Provisions

Provisions for employee benefits		
Gratuity	85.46	5.54
Compensated absences	528.41	454.89
Others		
Provision for mine closure expenses	398.43	366.38
	<u>1,012.30</u>	<u>826.81</u>

Movement of Provision for mine closure expenses

Balance at the beginning of the year	366.38	338.24
Additions	32.05	28.14
Amount paid	-	-
Balance at the end of the year	398.43	366.38

Provision for mine closure expenses represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the approved mine closure plan. The timing of the outflow with regard to the said matter would be in a phased manner based on the progress of excavation of minerals and consequential restoration cost.

17 Borrowings

<i>Secured</i>		
Working capital loans repayable on demand from banks*	2,000.00	-
<i>Unsecured</i>		
Buyers credit from banks in foreign currency	853.83	-
	<u>2,853.83</u>	<u>-</u>

Working Capital Loans of Rs. 2,000 lacs from banks are secured by ranking pari passu hypothecation of Current Assets viz. Raw Material, Stock in trade, Consumable Stores and Books Debts, both Present & Future and further by way of second charge on movable and immovable fixed assets pertaining to Maihar, Madhya Pradesh and Kundanganj, Uttar Pradesh and Coal mines located at Sial Ghogri, Madhya Pradesh, ranking pari passu with other lender banks.



Reliance Cement Company Private Limited

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As at As at
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18 Trade payables

Trade payables-Others	18,707.93	18,952.92
Trade payables-Related Parties	2,879.61	-
Total Outstanding dues to micro, small and medium enterprises	18.59	7.43
	<u>21,606.13</u>	<u>18,960.35</u>

Details of dues to Micro Enterprises and Small Enterprises as per MSMED Act, 2006 to the extent of confirmation received.

The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.

Principal	18.59	7.43
Interest	-	0.63

The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year; and

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.

	-	-
	-	-
	-	2.53
	-	15.41

19 Other Financial Liabilities

Current maturities of long-term borrowings (refer note no. 14)	10,306.03	9,023.26
Interest accrued but not due on borrowings	177.45	451.75
Employee Benefits Payable	1,325.83	1,061.49
Retention money payable	1,459.09	1,257.82
Payable for capital expenditure	1,619.17	2,341.51
MTM on Foreign exchange forward contracts	8.76	289.27
Others Payable	15,040.68	6,033.76
	<u>29,937.01</u>	<u>20,458.86</u>

20 Provisions

Provisions for employee benefits		
Compensated absences	53.37	63.90
	<u>53.37</u>	<u>63.90</u>

21 Other Current Liabilities

Advance from Customers	3,061.90	3,448.36
Statutory dues payable	6,455.74	2,136.07
	<u>9,517.64</u>	<u>5,584.43</u>



Reliance Cement Company Private Limited

	<u>Year ended</u> <u>31.03.2018</u>	<u>Year ended</u> <u>31.03.2017</u>
22 Revenue from Operations		
Sale of products		
Finished goods*		
Cement	1,95,881.50	1,63,979.03
Clinker	4,264.49	5,597.82
Traded goods	-	-
Cement	-	2.31
Gypsum	106.81	-
	<u>2,00,252.80</u>	<u>1,69,579.16</u>
Sale of Service	-	269.07
Other Operating Revenue-		
Scrap Sales	136.58	162.27
Incentives and subsidies	18,115.59	14,422.28
Refer footnote of Note no 11		
	<u>2,18,504.97</u>	<u>1,84,432.78</u>
<p>* In accordance with the requirements of Ind AS/Schedule III of the Companies Act, 2013, sales for the period upto June 30, 2017 and previous year presented herein are inclusive of excise duty. Consequent to applicability of Goods and Service Tax (GST) w.e.f. 1st July, 2017, sales are shown net of GST in accordance with requirements of Ind AS - 18 'Revenue'. The sales net of excise / GST for the year ended 31.03.2018 and 31.03. 2017 is Rs1,93,503.41 lacs and Rs1,47,744.55 lacs respectively.</p>		
23 Other Income		
Interest income		
from Fixed Deposits	19.13	102.46
Other Interest	115.65	100.26
Insurance Claim Received	253.84	37.24
Excess Liabilities and Unclaimed Balances written back	-	2,515.62
Foreign exchange gain (net)	-	421.20
Fair Value of Investment	-	0.06
Capital grant	-	100.00
Gain on Sale of Mutual Fund (FVTPL)	-	25.58
Gain on Sale of Mutual Fund	31.01	-
Miscellaneous Income	62.65	16.31
	<u>482.28</u>	<u>3,318.73</u>
24 Cost of Materials Consumed		
Raw materials consumed	24,179.38	14,723.61
	<u>24,179.38</u>	<u>14,723.61</u>
25 Purchases of traded goods		
Purchases of traded goods - Cement	-	1.86
- Gypsum	97.92	-
	<u>97.92</u>	<u>1.86</u>



Reliance Cement Company Private Limited

Rs. in lacs

Year ended Year ended
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26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Stock at the end of the year

Finished goods	2,620.72	2,656.36
Work in Progress	2,379.42	4,038.02
	<u>5,000.14</u>	<u>6,694.38</u>

Stock at the beginning of the year

Finished Goods	2,656.36	2,699.04
Traded goods	-	1.86
Work in Progress	4,038.02	2,288.83
	<u>6,694.38</u>	<u>4,989.73</u>
	<u>1,694.24</u>	<u>(1,704.65)</u>

27 Employee Benefits Expense

Salaries and wages	8,487.05	6,935.20
Contribution to provident and other funds	304.01	281.15
Gratuity	114.56	127.76
Compensated absences	160.99	152.23
Staff welfare expenses	288.82	308.77
	<u>9,355.43</u>	<u>7,805.11</u>

Defined Contribution Plan:

The Company has recognized the following amount in the statement of profit and loss / Capital work in progress / Intangible assets for the year

Provident Fund	183.73	175.60
Superannuation Fund	8.10	11.32
Pension Fund	64.83	95.93

Gratuity

Change in benefit obligations

Benefit obligation at the beginning	494.75	429.56
service cost	114.07	138.76
interest expense	33.79	32.20
Past service cost plan amendments	0.96	-
Actuarial (gains) / losses	(27.84)	(56.55)
Benefits paid	(24.65)	(49.22)
Benefit obligation at the end	<u>591.08</u>	<u>494.75</u>

Change in Plan assets

Fair value of plan assets at the beginning	489.21	461.95
interest income	34.25	36.68
Actual return on plan assets less interest on plan assets	(17.84)	8.15
Employers Contributions	-	31.65
Benefits paid	-	(49.22)
Fair value of plan assets at end	<u>505.62</u>	<u>489.21</u>

Funded status surplus/ (deficit)

(85.46) (5.54)

Expenses recognised in statement of profit and loss

service cost	114.07	138.76
Past service cost- plan amendments	0.96	-
Net interest on the net defined benefit liability / asset	(0.47)	(4.48)
	<u>114.56</u>	<u>134.28</u>
Less: Capitalised	-	6.52
Charged to P&L	<u>114.56</u>	<u>127.76</u>

Remesurement recognised in OCI

Actuarial (gains) / losses	(27.84)	(56.55)
Actual return on plan assets less interest on plan assets	(17.84)	8.15
	<u>(10.00)</u>	<u>(64.70)</u>

Actuarial assumptions

Mortality - Indian assured Lives Mortality (2006-08) Ultimate		
Discount rate	7.50%	0.07
Salary escalation rate	7.50%	0.08
Withdrawal rate	4.00%	0.04



Reliance Cement Company Private Limited

	Rs. in lacs	
	<u>Year ended</u> 31.03.2018	<u>Year ended</u> 31.03.2017
Sensitivity analysis as on 31st March 2018		
Defined benefit obligation on plus 100 bps	(50.20)	57.62
Defined benefit obligation on minus 100 bps	53.16	(50.67)
Sensitivity analysis as on 31st March 2017		
Defined benefit obligation on plus 50 bps	(24.12)	25.89
Defined benefit obligation on minus 50 bps	26.14	(24.12)

At 31st March 2018, the weighted average duration of the defined benefit obligation was 10.15 years. The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

<u>Maturity profile of defined benefit obligations</u>		
Within 1 year	41.86	49.19
1-2 year	42.22	27.01
2-3 year	51.30	31.32
3-4 year	76.09	41.68
4-5 year	69.32	28.18
5-6 year	710.55	1,012.94

28 Finance Costs

Interest on Term Loans	20,301.49	21,014.11
Interest on Working capital Loans	134.35	332.49
On Deposits and Others	514.63	779.46
Other borrowing costs	60.45	393.72
Interest on dues to micro enterprises and small enterprises	-	0.63
Preference Shares Dividend Expenses	1,096.39	333.04
Unwinding finance cost	161.27	127.66
	<u>22,268.58</u>	<u>22,981.11</u>

29 Depreciation and amortization expense

Depreciation of tangible assets	15,464.07	14,956.38
Amortization of intangible assets	106.00	83.40
Less: Transfer to Capital work-in-progress	25.81	55.09
	<u>15,544.26</u>	<u>14,984.69</u>



Reliance Cement Company Private Limited

Rs. in lacs

Year ended Year ended
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30 Other Expenses

Manufacturing Expenses

Stores, Spare Parts Consumed	5,119.58	4,271.57
Packing Material Consumed	7,830.97	5,976.70
Power & Fuel	44,977.75	39,314.52
Excise duty	6,749.40	21,834.61
Repairs to buildings	252.73	258.74
Repairs to machinery	1,373.90	986.18
Royalty & Cess	3,384.11	3,775.18
Freight & Material Handling on Inter Unit Transfer	6,978.83	8,463.59
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(114.18)	37.84
Other Manufacturing Expenses	1,964.43	1,299.27

Selling and Administration Expenses

Discount, selling and distribution expenses	6,025.01	3,533.77
Brand Royalty	2,096.70	104.51
Freight and forwarding expenses	40,847.47	26,963.53
Insurance	178.60	205.06
Rent	785.33	701.53
Repairs to Other Assets	1,347.42	1,822.18
Rates & Taxes	664.74	506.69
Advertisement and publicity expenses	1,742.29	962.40
Payments to auditors		
Audit fees	15.00	7.33
Certification	3.00	7.00
Reimbursement of expenses	1.27	-
Directors Fees	35.00	17.60
Loss on sale/discard of Fixed Assets & CWIP (Net)	-	1,561.75
Net loss on foreign currency translations	250.00	245.89
Professional fees	424.17	186.09
Loss on extinguishment of financial liabilities	1,047.68	-
Bank Charges	210.85	269.22
Provision for doubtful debts	-	475.39
Miscellaneous expenses	2,700.75	2,285.28
	<u>1,36,892.80</u>	<u>1,26,073.42</u>

31 Earning per Share

The computation of basic / diluted earning/ (loss) per share is set out below

Net Profit / (Loss) after current and deferred tax	19,091.69	(1,37,415.64)
No of Shares outstanding at the beginning of the year	3,128.23	3,128.23
No of Shares outstanding at the end of the period	3,128.23	3,128.23
Weighted average number of equity shares of Rs. 10/- each	3,128.23	3,128.23
EPS (Rs.) - Basic and Diluted	6.10	(43.93)

32 Commitments and Contingencies

a. Contingent Liabilities:

Claims against the Company not acknowledged as debts	480.92	1,278.79
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b. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11,890.33	411.71
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In respect of the matter in note no. 32, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party .

33 Investment in Subsidiary

As a condition precedent to the share purchase agreement entered between Birla Corporation Limited, Reliance Infrastructure Limited and Reliance Cement Company Private Limited ('the Company'), Birla Corporation Limited has not taken over the investment made by the Company in its wholly owned subsidiary i.e. Reliance Concrete Private Limited. As the Company would not be receiving any consideration towards the said investments, the Board of Directors in its meeting held on August 19, 2016 have approved a write off of investment in the equity shares of Reliance Concrete Private Limited amounting to Rs. 140302.00 lacs
The Company has reduced the Securities Premium Account by Rs. 14,03,02.00 to utilize for writing off the Deficit in the Profit and Loss Account balance by the said amount pursuant to the order dated April 22, 2016 received from Hon'ble Bombay High Court for reduction in share capital (securities premium account). Accordingly, the reserve balances have been adjusted during the previous year.



Reliance Cement Company Private Limited

Rs. in lacs

Year ended Year ended
31.03.2018 31.03.2017

34 Related Party disclosures as per Ind AS 24

Reliance Infrastructure Limited (Holding company upto 21.08.2016)	-	-
Sale of products	-	51.43
Sub-ordinate debt received	-	30,000.00
Sub-ordinate debt repaid	-	16,000.00
Purchase of raw materials	-	247.66
Reimbursement of expenses	-	182.51
Birla Corporation Limited (Holding company w.e.f.22.08.2016)		
Purchase of goods	2,869.73	16.21
Purchase of services	1,856.96	437.02
Brand Royalty paid	2,096.70	104.51
Sale of goods	6,014.06	2,034.14
Reimbursement of expenses paid	48.78	51.74
Loan taken	-	9,000.00
Repayment of Loan taken	-	9,000.00
Preference shares issued	-	10,000.00
Interest expense	-	123.88
Provision for Dividend on Preference shares (Expense)	1,096.39	276.71
<u>Balances outstanding</u>		
Trade receivables	-	984.14
Trade payable	2,879.61	545.69
Provision for Dividend on Preference shares payable	1,429.43	276.71
Corporate Guarantee given to Banks #	40,670.72	62,546.90
# to the extent of loan outstanding		
Vindhya Telelinks Ltd (wef 22.08.2016)		
(Entity in respect of which Holding Company is Associate)		
Sale of goods	77.30	6.55
Purchase of goods	18.68	3.00
<u>Balances outstanding</u>		
Trade receivables	0.34	0.50
Trade payable	-	3.00
Reliance Concrete Private Limited (Subsidiary upto 21.08.2016)		
Non-current investments written off	-	1,40,302.00
Anil Ambani		
(Promoters having significant influences on the holding company directly or indirectly upto 21.08.2016)		
Key Managerial Persons (KMP)		
<u>Remuneration paid to KMP</u>		
Mr Atul Desai (Whole-time Director upto 27.08.2016)	-	194.65
Mr. Bachh Raj Nahar (Managing Director w.e.f. 22.09.2016)	-	-
<u>Non Executive Directors</u>		
Mr. Harsh V. Lodha, Mr. V. Swarup, Mr. A. Srinivasan Mr. Anup Singh, Ms. Chitkala Zutshi, Mr. Mahendra Kumar		
Sitting fee paid to non executive directors	35.00	17.60
<u>(Enterprise over which promoter has significant influence upto 21.08.2016)</u>		
Reliance Ornatus Enterprises and Ventures Private Limited		
Purchase of raw material	-	544.26
Sale of services	-	162.04
Vidrabha Industries Private Limited		
Sale of products	-	2.22
Reliance General Insurance Company Limited		
Insurance premium paid	-	0.88
Reliance Infocomm Infrastructure Limited		
Rent paid	-	38.76
Rosa Power Supply Company Limited		
Sale of products	-	131.27
Sasan Power Limited		
Sale of products	-	160.45
Amount payable at year end	-	0.72



Reliance Cement Company Private Limited

35 Operating Segment as per Ind AS 108

The managing director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS.108 - Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented. In the opinion of the management, there is only one segment - "Cement" which includes products of similar nature, risks and returns. So disclosure of primary segment and geographical segment are not applicable.

36 Fair value of Financial Assets and Financial Liabilities (Current & Non Current)

Particulars	Rs. in lacs			
	31st March 2018		31st March 2017	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Assets				
Investment				
- Mutual Funds	-	-	200.06	-
Trade Receivables	-	6,105.28	-	5,785.97
Loans Given	-	0.57	-	6.81
Cash and Cash Equivalents	-	1,824.67	-	1,066.83
Interest Rate Swap (IRS) Receivable	-	-	10.35	-
Other receivable	-	-	-	-
Interest accrued but not due on bank deposit	-	12.77	-	22.39
VAT Incentive receivable	-	45,560.48	-	27,444.88
Bank Deposits	-	107.79	-	272.28
Security deposits	-	2,005.99	-	1,601.34
Total Financial Assets	-	55,617.55	210.41	36,200.50
Financial Liabilities				
Borrowings	-	2,34,921.64	-	2,40,397.68
Trade Payables	-	21,606.13	-	18,960.34
Interest accrued on Cumulative Redeemable Preference Share	-	1,429.43	-	276.71
Interest accrued but not due on borrowings	-	177.45	-	451.75
Employee Benefits Payable	-	1,325.83	-	1,061.49
Retention money payable	-	1,459.09	-	1,257.82
Payable for capital expenditure	-	1,619.17	-	2,341.51
MTM on Foreign exchange forward contracts	8.76	-	289.27	-
Others Payable	-	15,040.68	-	6,033.76
Security Deposits from customers	-	10,215.67	-	8,435.68
Security Deposits - Others	-	371.67	-	350.11
Total Financial Liabilities	8.76	2,88,166.76	289.27	2,79,566.85

Other Notes

The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

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

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.

The following methods and assumptions were used to estimate the fair values:

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

During the year ended March 31, 2018 and March 31, 2017, 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.



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:

- 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.
- 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.
- 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.

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

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Mutual Funds	-	-	-	200.06	-	-
Foreign Exchange Contract (MTM)	-	-	-	-	10.35	-
Total Financial Assets	-	-	-	200.06	10.35	-
Financial Liabilities						
Foreign Exchange Contract (MTM)	-	8.76	-	-	289.27	-
Total Financial Liabilities	-	8.76	-	-	289.27	-

37 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial assets and other financial assets	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing limits
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options



Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Company monitors capital on the basis of the following ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet)

The gearing ratios were as follows:

Particulars	31 March 2018	31 March 2017
Debt	2,34,921.63	2,40,397.69
Less: Cash and bank balances	1,824.67	1,066.83
Net Debt	2,33,096.96	2,39,330.86
Total Equity	95,225.19	76,126.59
Net debt to equity ratio	2.45	3.14

Note- Debt is defined as long term and short term borrowing including current maturities of long term debt

Credit risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

Judgments are required in assessing the recoverability of overdue trade receivable. The company follows the simplified approach for recognition of impairment loss. The expected credit loss is based on historical loss experience and analysis of individual customer account balances.

Age of receivables	As at 31.03.2018	As at 31.03.2017
Within the credit period	5,009.89	4,192.57
0-60 days past due	807.02	1,004.31
61-180 days past due	254.53	345.99
181-365 days past due	234.04	612.93
More than 365 days past due	275.19	105.56

Movement in the expected credit loss allowance

	As at 31.03.2018	As at 31.03.2017
Balance at the beginning of the year	(475.39)	-
Movement in expected credit loss allowance on trade receivables	-	(475.39)
Balance at the end of the year	(475.39)	(475.39)

Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.



Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities
As at 31 March 2018

Particulars	On Demand	Less than One	1 years to 5	More than 5	Total
		year	years	years	
Non-derivative					
Trade payables	-	21,606.13	-	-	21,606.13
Borrowings					
Rupee Term Loan	-	4,708.51	52,331.39	1,39,037.27	1,96,077.17
Foreign Currency Term Loan	-	5,597.52	20,106.46	1,945.12	27,649.10
Preference Share Capital	-	-	10,000.00	-	10,000.00
Working Capital Loan	-	2,000.00	-	-	2,000.00
Buyers Credit	-	853.83	-	-	853.83
Other financial liabilities					
Payable on behalf of employees	-	1,325.83	-	-	1,325.83
Interest accrued on Cumulative Redeemable Preference Share	-	-	1,429.43	-	1,429.43
Interest accrued but not due on borrowings	-	177.45	-	-	177.45
Security Deposits from customers*	-	-	-	10,215.67	10,215.67
Security Deposits - Others	-	371.67	-	-	371.67
Retention money payable	-	1,459.09	-	-	1,459.09
Payable for capital expenditure	-	1,619.17	-	-	1,619.17
Others Payable	-	15,040.68	-	-	15,040.68
Total	-	54,759.88	83,867.28	1,51,198.06	2,89,825.22
Derivative					
Foreign Exchange forwards contracts	-	8.76	-	-	8.76

As at 31 March 2017

Particulars	On Demand	Less than One	1 years to 5	More than 5	Total
		year	years	years	
Non-derivative					
Trade payables	-	18,960.34	-	-	18,960.34
Borrowings					
Rupee Term Loan	-	3,891.81	31,912.83	1,34,867.70	1,70,672.34
Foreign Currency Term Loan	-	5,131.45	27,495.60	29,013.54	61,640.59
Preference Share Capital	-	-	10,000.00	-	10,000.00
Other financial liabilities					
Interest accrued on Cumulative Redeemable Preference Share	-	-	276.71	-	276.71
Interest accrued but not due on borrowings	-	451.75	-	-	451.75
Payable on behalf of employees	-	1,061.49	-	-	1,061.49
Security Deposits from customers	-	-	-	8,435.68	8,435.68
Security Deposits - Others	-	350.11	-	-	350.11
Retention money payable	-	1,257.82	-	-	1,257.82
Payable for capital expenditure	-	2,341.51	-	-	2,341.51
Others Payable	-	6,033.76	-	-	6,033.76
Total	-	39,480.04	69,685.14	1,72,316.92	2,81,482.10
Derivative					
Foreign Exchange forwards contracts	-	-	-	-	-

The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

Security Deposit classified under more than 5 years maturity pertain to " Dealer Trade Deposit " which are refundable only after surrender of dealership subject to clearance of outstanding dues



Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions of imports and borrowing primarily with respect to USD and Euro. The foreign currency transaction risk are managed through selective hedging programmes by way of forward contracts, currency swaps and interest rate swaps including for underlying transactions having firm commitments or highly probable forecast of crystallisation.

The Company has taken certain Swap instruments for hedging the borrowings in foreign currency and has recognised a gain/loss in the Statement of Profit & Loss on measurement of said derivative instruments at fair value. On the reporting date, the fair value of derivative instrument is measured based upon valuation received from the authorised dealer (Bank).

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2018			
	USD	INR	EUR	INR
Financial Liabilities				
Foreign Currency Term Loan	424.20	27,649.10	-	-
Buyer's Credit	13.10	853.83	-	-
Interest Accrued but not due	2.72	177.45	-	-
Trade Payables	3.78	246.24	4.64	372.73
Other current liabilities	-	-	-	-
Derivative Instrument				
Foreign Exchange Contract - Against payable	(13.10)	(853.83)	-	-
Foreign Exchange Contract - Against firm commitment	-	-	(11.90)	(954.64)
Net Exposure to foreign currency risk (liabilities)	430.70	28,072.79	(7.26)	(581.91)

Particulars	31st March 2017			
	USD	INR	EUR	INR
Financial Liabilities				
Foreign Currency Term Loan	946.54	61,382.87	-	-
Interest Accrued but not due	2.90	187.88	-	-
Trade Payables	3.65	236.56	21.14	1,465.11
Other current liabilities	1.08	70.00	-	-
Derivative Instrument				
Foreign Exchange Contract - Against payable	(443.46)	(28,758.20)	-	-
Net Exposure to foreign currency risk (liabilities)	510.71	33,119.11	21.14	1,465.11

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the INR against USD and EUR as at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Sensitivity Analysis	31.03.2018		31.03.2017	
		Impact on		Impact on	
		Profit before tax	Other Equity	Profit before tax	Other Equity
USD Sensitivity (Increase)	5%	(1,403.64)	(1,104.08)	(1,655.96)	(1,302.55)
USD Sensitivity (Decrease)	5%	1,403.64	1,104.08	1,655.96	1,302.55
EUR Sensitivity (Increase)	5%	29.10	22.89	(73.26)	(57.62)
EUR Sensitivity (Decrease)	5%	(29.10)	(22.89)	73.26	57.62



Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment / refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and investments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

Exposure to interest rate risk

Particulars	31st March 2018	31st March 2017
Fixed Rate Instruments		
10% Cumulative Preference Share	10,000.00	10,000.00
	10,000.00	10,000.00
Variable Rate Instruments		
Other Borrowings	2,23,726.27	2,32,312.93
Net Exposure	2,23,726.27	2,32,312.93

Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2018		
	Sensitivity Analysis	Impact on Profit before tax	Impact on Other Equity
Interest Rate Increase by	0.50%	(1,118.63)	(879.92)
Interest Rate Decrease by	0.50%	1,118.63	879.92
Particulars	31st March 2017		
	Sensitivity Analysis	Impact on Profit before tax	Impact on Other Equity
Interest Rate Increase by	0.50%	(1,161.56)	(913.69)
Interest Rate Decrease by	0.50%	1,161.56	913.69



38 Operating leases

Obligations on long term, non-cancellable operating leases
The lease rentals charged during the period is as under:

	Year ended 31 March 2018	Year ended 31 March 2017
Lease Rentals Period of lease	36.78 various	100.04 various
Future minimum lease payable	As at 31.03.2018	As at 31.03.2017
Not later than 1 year	14.40	78.90
Later than 1 year and not later than 5 years	14.93	5.01
Later than 5 years	-	-

The operating lease arrangements, are renewable at the request of the company by mutual agreement for future period.

Previous period figures have been regrouped / reclassified where necessary, to conform to this Year's Classification

39 Approval of Financial Statements

The financial statements are approved by the Board of Directors on 14th May 2018

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No.109208W

Ajay Gupta
Ajay Gupta
Partner
Membership No.090104

Place : Kolkata
Dated : 14.05.2018

For and on behalf of the Board of Directors

H.V. Lodha
Harsh V. Lodha
Chairman
(DIN: 00394094)
Arun Agarwal
Arun Agarwal
Chief Financial Officer

Bachh Raj Nahar
Bachh Raj Nahar
Managing Director
(DIN: 00049895)
Manoj Kumar Mehta
Manoj Kumar Mehta
Company Secretary

