

**22<sup>nd</sup>**  
ANNUAL  
REPORT | **2021**

**BARAK VALLEY CEMENTS LIMITED**



# BARAK VALLEY CEMENTS LIMITED

## Annual Report 2020-2021

### Composition of Board

Sh. Kamakhya Chamaria	Vice Chairman and Managing Director
Sh. Mahendra Kumar Agarwal	Vice Chairman and Non-Executive Director
Sh. Santosh Kumar Bajaj	Director
Sh. D. R. Agarwal	Director
Smt. Renu Kejriwal	Director
Sh. Shyam Agarwal	Director
Sh. Puran Chand	Director

#### Chief Executive Officer

Mr. Mukesh Kumar Shovasaria

#### Chief Financial Officer

Mr. Rajesh Aggarwal

#### Company Secretary & Compliance Officer

Mrs. Manisha Mahana (from August 26, 2020 till November 11, 2020)

Ms. Deepa (w.e.f November 12, 2020)

#### Auditor

M/s P.K. Lakhani & Co.  
Chartered Accountants,  
301, 3<sup>rd</sup> Floor, Apna Bazar  
Gurgaon, Haryana-122001

#### Registrar & Share Transfer Agents

MCS Share Transfer Agent Limited,  
F-65, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020

#### Bankers and FIs

Industrial Development Bank of India (IDBI)  
North Eastern Development Finance Corporation (NEDFi)

#### Offices:

#### Regd. Office & Works:

Debendra Nagar, Jhoombasti, P.O. Badarpurghat,  
Badarpurghat, Distt. Karimganj, Assam- 788803

#### Corp. Office:

281, Deepali, Pitampura,  
Delhi-110034

#### Branches:

1. Bharat Trade Building, Shyama Prasad  
Road, Silchar, Assam

2. CF-361, Salt Lake City, Kolkata, West  
Bengal-700064

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## Directors' Report

To  
 The Members,  
 Barak Valley Cements Limited

The Directors of your Company are pleased to present the 22<sup>nd</sup> Director's Report together with the Company's Audited Financial statements (Standalone and Consolidated) for the Financial Year ended 31<sup>st</sup> March 2021.

### 1. FINANCIAL RESULTS

The highlights of the financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year are as under:

The business performance of the Company has been discussed in detail in the Management Discussion and Analysis Report attached separately as Annexure –I and forming part of this report and the Financial Statements are also attached separately forming part of this Report.

### 3. SUBSIDIARIES

Your Company has seven wholly owned subsidiaries viz. (i) Cement International Limited, (ii) Badarpur Energy Private Limited, (iii) Meghalaya Minerals and Mines Limited, (iv) Singlacherra Tea Company Private Limited, (v) Goombira Tea Company Limited, (vi) Chargola Tea Company Private Limited and (vii) Valley Strong Cements (Assam) Limited during the year under review.

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Year Ended as at 31 <sup>st</sup> March, 2021	Year Ended as at 31 <sup>st</sup> March, 2020	Year Ended as at 31 <sup>st</sup> March, 2021	Year Ended as at 31 <sup>st</sup> March, 2020
Revenue from Operations (net)	13281.96	15496.98	14689.90	16200.83
Other Income	112.02	136.15	110.10	139.31
<b>Total Sales &amp; other Income</b>	<b>13393.98</b>	<b>15,633.13</b>	<b>14800.00</b>	<b>16340.14</b>
<b>Income before Finance Cost, Depreciation and Amortization and Income tax</b>	<b>1801.27</b>	<b>1759.14</b>	<b>2077.33</b>	<b>2334.42</b>
Less: Depreciation and Amortization expenses	525.48	549.16	604.64	640.99
<b>Profit before Interest and Income Tax</b>	<b>1275.80</b>	<b>1209.98</b>	<b>1472.69</b>	<b>1693.43</b>
Less: Finance Cost	805.47	772.19	1083.40	1065.81
<b>Profit/Loss before Exceptional items and Income Tax</b>	<b>470.33</b>	<b>437.79</b>	<b>389.29</b>	<b>140.30</b>
Less: Exceptional items	-	-	-	(487.32)
<b>Profit before Tax</b>	<b>470.33</b>	<b>437.79</b>	<b>389.29</b>	<b>627.62</b>
Less: Provision for Income tax				
-Current Income Tax	82.08	72.59	83.87	74.50
-Deferred Tax liability/(Assets)	70.40	(57.11)	70.27	(54.63)
- Earlier year provisions written back	-	-	-	-
<b>Profit/(Loss) After tax</b>	<b>317.85</b>	<b>422.31</b>	<b>235.14</b>	<b>607.75</b>

### 2. OVERVIEW AND THE STATE OF COMPANY'S AFFAIRS

The Company is principally engaged in the business of manufacturing of cement of different grades and is marketing its product under the brand name "Valley Strong Cement" and has also diversified its business in Power Generation and Tea Cultivation lines through its subsidiaries. Further, all of these business activities are carried out by the Company in the North East Region.

#### Gross Turnover of Company:

During the financial year 2020-21, the Company's gross turnover decreased by 14.29% to Rs. 13281.96 Lacs as compared to Rs. 15496.98 Lacs in previous year.

#### Profit after Tax:

During the financial year 2020-21, Profit after Tax is decreased by 24.73% to Rs. 317.86 Lacs as compared to Rs. 422.31 Lacs in previous year.

- Cement International Limited**, wholly owned subsidiary of the Company is engaged in the business of manufacturing of Cement Clinker. During the year under review the Company's gross revenue was NIL.
- Badarpur Energy Private Limited**, wholly owned subsidiary of the Company is currently not operational.
- Meghalaya Minerals and Mines Limited**, wholly owned subsidiary of the Company is engaged in the business of extraction of Minerals. During the year under review the Company's gross revenue was Rs. 977.30 Lacs.
- Singlacherra Tea Company Private Limited**, wholly owned subsidiary of the Company is engaged in the business of the extraction of Tea leaves. During the year under review the Company's gross revenue was Rs. 92.47 Lacs.
- Goombira Tea Company Limited**, wholly owned material subsidiary of the Company is engaged in the business of

the extraction of Tea leaves. During the year under review the Company's gross revenue was Rs. 1103.09 Lacs.

- f) **Chargola Tea Company Private Limited**, wholly owned subsidiary of the Company is engaged in the business of the extraction of Tea leaves. During the year under review the Company's gross revenue was Rs. 54.32 Lacs.
- g) **Valley Strong Cements (Assam) Limited**, wholly owned material subsidiary of the Company has not commenced its commercial production.

The audited financial statements of your Company's subsidiaries and their related information are available on your Company's website and will be kept open for inspection at the Head Office of the Company in pursuant to Section 128 of the Companies Act, 2013 and the rules made thereunder. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

The statement containing the salient features of the financial statements of subsidiaries in pursuant to the proviso of sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 relating to subsidiaries is annexed with the financial statements in the **Form AOC-1**.

The Board has also adopted policy for determining material subsidiaries and is available at the Website which can be accessed at the below mentioned link:

<https://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

Your Company does not have any Associate or Joint Venture.

#### **4. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (IndAS) as prescribed by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company have been prepared and has been included as a part of this Report.

Further, pursuant to the provisions of Section 128 read with Section 136 of the Companies Act, 2013 the Financial Statements alongwith audit reports of each of the subsidiary companies are available for inspection by the Members during the working hours on all business days at the Registered Office of the Company. The Company shall also provide a copy of the financial statements of its subsidiary companies to the Members upon their request from registered email ID.

#### **5. SHARE CAPITAL**

The Equity Shares of the Company are being traded on National Stock Exchange of India Limited and BSE Limited, since 23<sup>rd</sup> November, 2007.

The Paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2021 was Rs. 22,16,00,000/- (Twenty Two Crore Sixteen Lacs Only) divided into 2,21,60,000 (Two Crore Twenty One Lacs Sixty Thousand) Equity Shares of Rs. 10/- each and there was no change in capital structure of your Company during the year under review.

#### **6. OPERATIONS**

##### **6.1 Standalone**

The Standalone turnover of the Company stood at Rs. 13281.96 Lacs during the financial year 2020-21, which has been decreased in comparison to previous year turnover of Rs. 15496.98 Lacs. Your Company has earned a Profit of Rs. 317.86 Lacs during the financial year 2020-21, in comparison with the previous year profit of Rs. 422.31 Lacs.

##### **6.2 Consolidated**

During the financial year 2020-21, the consolidated revenue from operations has been decreased to Rs. 14689.90 Lacs as compared to Rs. 16200.83 Lacs during the previous year. Further, there was consolidated profit of Rs. 235.14 Lacs in the financial year 2020-21 as compared to the consolidated Profit of Rs. 607.75 Lacs during the previous year.

#### **7. DIVIDEND**

The Board of Directors of the Company after considering the financial and non-financial factors prevailing during the financial year 2020-21 decided not to recommend dividend for the financial year 2020-21.

#### **8. PUBLIC DEPOSITS AND BUY BACK OF SHARES**

During the Financial Year 2020-21, your Company has not accepted any deposit from public/shareholders in accordance with Section 73 of the Companies Act, 2013 and rules made there under and hence no amount of principal or interest on deposits was outstanding as on 31<sup>st</sup> March, 2021.

Further, your company has not proposed or pending any Buy Back of Shares during the financial year ended on 31<sup>st</sup> March, 2021.

#### **9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2021 forming part of this Annual Report.

#### **10. TRANSFER TO RESERVES**

In the Financial Year 2020-21, your Directors do not propose to transfer any amount to the General Reserves of the Company.

#### **11. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There has been no such material change(s) and commitment(s) incurred between the end of financial year of the company to which the financial statements relate and the date of reporting affecting the financial position of the Company.

#### **12. PARTICULARS OF CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

All the related party transactions during the period under review were entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable

provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”). There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company’s financial statements in accordance with the applicable Accounting Standards.

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

In line with the provisions of the Companies Act, 2013, the Company has framed policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website of the Company. One can access the same by clicking on below mentioned Link:

<https://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20RELATED%20PARTY%20TRANSACTION.pdf>

**13. COMMITTEES OF THE BOARD OF DIRECTOR’S**

Your Company has the following Six Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit-Committee
- Sub-Audit Committee
- Nomination and Remuneration Committee
- Share transfer Committee
- Stakeholders Relationship Committee
- General Purpose Committee

The details with respect to the composition, terms of reference, number of meetings held, etc. of the above Committees are included in the Report on Corporate Governance, which forms part of the Annual Report. There has been no instance where the board has not accepted recommendation of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Further the legal provision mandating constitution of Risk Management Committee is not yet applicable to the Company.

**14. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In Compliance with Section 177 (9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a whistle blower policy and has established the necessary vigil mechanism for Employees, Directors and Senior Executives which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behavior, actual and suspected fraud, health safety and environmental issues.

The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Whistle Blower Policy is provided on the website of the Company and may be accessed by clicking on the following link:

<https://www.barakcement.com/index384c.html>

The contact details of the Vigilance and Ethics Officer is as under:-

Name – Mr. Mukesh Kumar Shovasaria  
 Address – Debendra Nagar, Jhoombasti,  
 P.O. Badarpur Ghat, Distt. Karimganj,  
 Assam-788803  
 Email Id- [magarwal.bvcl@gmail.com](mailto:magarwal.bvcl@gmail.com)  
 Contact No.- +91-9435078960

**15. RISK MANAGEMENT**

Risk is an integral and unavoidable component of business and Company’s risk management process is designed to identify and mitigate risks that have the potential to materially impact its business objectives and maintains a balance between managing risk and making most of the opportunities. The Board is responsible for overseeing the overall risk management framework of the Company and the Company has been addressing and analyzing various risks impacting the Company including details of significant changes in key financial ratios which is more fully provided in annexed Management Discussion and Analysis Report attached herewith and forms part of this annual report.

The Audit Committee of Board keeps an eye on execution of the risk management plan of the Company and advises the management on strengthening mitigating measures wherever required. The actual identification, assessment and mitigation of risks are however done by key executives of the Company in a systematic manner. The risks are prioritized according to significance and likelihood. Risks having high likelihood and high significance are classified as ‘key risk’.

**15A. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

Your Company does not have material exposure of any commodity or foreign exchange and accordingly, no hedging

activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15th November, 2018.

#### **16. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the financial year 2020-21 in line with the provisions of Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached separately as "Annexure 1" and forms part of this Report.

#### **17. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company does not fall within the ambit of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **18. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and an Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. Your Company is committed to ensure that all are treated with dignity and respect and having zero tolerance towards sexual harassment at the workplace and towards this end and has also provided adequate access to complainants who wish to register a complaint under the policy. All employees (permanent contractual, temporary, trainees) are covered under the said policy.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

#### **19. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The Board has, on recommendation of the Nomination & Remuneration Committee of the Company in accordance with Para A of Part D and Regulation 19 of Listing Regulations has framed a policy for selection, appointment and remuneration of Director's, Key Managerial Personnel and Senior Management Employees, which includes the criteria for determining qualification, positive attributes, independence of director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013.

The Composition of the Board of Directors of the company's on date of report comprises an adequate mix of Executive, Non-Executive and Independent Directors in order to ensure and maintain the independence of the Board, and separate its functions of Governance and Management as provided in Regulation 17 of the Listing Regulations. As on March, 31 2021, the Board comprises of 7 members out of which 4 (Four) are Independent (including One Women Director) and 3(Three) are Non- Independent Directors. Further, as on the aforesaid date, the Company has 6 (Six) non-executive directors and 1 (One) executive director. The Board periodically evaluates the need for its change in its composition and size.

The relevant details of the policy have been described in the Corporate Governance Report forming part of Annual Report of the Company. We also affirm that the Remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

#### **20. CODE OF CONDUCT**

With an intention to enhance integrity, ethics and transparency in governance of the Company, Your Company has adopted Code of Conduct for Directors and Senior Management Personnel of the Company. The Code of Conduct is also available at Company's Website [www.barakcement.com](http://www.barakcement.com).

#### **21. EVALUATION OF BOARD'S PERFORMANCE**

In accordance with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 including the Guidance Note issued by SEBI on Board Evaluation, the Board carries out the annual evaluation of its own performance, the working of its various Committees as well as the evaluation of its Directors individually.

Pursuant to Schedule II, Part D of LODR, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

The Board evaluation process comprises of both assessment and review, including analysis of the functioning of the Board and its Committees, the time spent by it in considering matters and whether the terms of reference of its Committees have been met, besides complying with the provisions of the Companies Act, 2013 and Listing Regulations. During the period under review, the evaluation of the performance of the Board, its Committees and individual directors was done, after seeking inputs from all the Directors by way of a questionnaire. The questionnaire was prepared in a structured manner, ascertaining the individual directors various attributes and their roles in bringing values to the deliberation and discussions at meetings.

The Board of Directors has also evaluated the functioning/ performance of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee and expressed satisfaction with their functioning/performance.

A report in brief on Board evaluation has been given in the Corporate Governance Report which may be taken as forming a part of this Report.

#### **22. DIRECTORS & KEY MANAGERIAL PERSONNEL**

During the period under review, the details of Directors and Key Managerial Personnel were as follows:

- (i). The Shareholders of the Company approved re-appointment of Mr. Mahendra Kumar Agarwal as Director of the Company who was liable to retire by rotation in the Annual General Meeting of the Company held on 30<sup>th</sup> December, 2020.

- (ii). In accordance with the provisions of Section 196, 197 and 203 of the Companies Act, 2013, the Board of Directors after considering knowledge, expertise and experience in respective field at their meeting held on 14<sup>th</sup> September, 2020 has on recommendation of Nomination and Remuneration Committee and members in their Annual General Meeting held on 30<sup>th</sup> December, 2020 approved the re-appointment of Mr. Kamakhya Chamaria as Managing Director of the Company not liable to retire by rotation for a further period of 3 Years w.e.f. 30<sup>th</sup> September, 2020.
- (iii). In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Santosh Kumar Bajaj, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. In view of his considerable experience, Directors of your company recommend his re-appointment as Director of the Company.
- (iv). The Key Managerial Personnel of the Company are:
  - Managing Director- Mr. Kamakhya Chamaria
  - Chief Executive Officer-Mr. Mukesh Kr. Shovasaria
  - Chief Financial Officer: Mr. Rajesh Agarwal
  - Company Secretary: Ms. Deepa(appointed w.e.f. 12.11.2020)

Further, all other relevant details with regard to Board of Directors and Key Managerial Personnel are described in the Corporate Governance Report “Annexure-5” forming part of this Report.

**23. DECLARATION BY INDEPENDENT DIRECTOR**

Your Company’s Independent Directors Dr. Dhanpat Ram Agarwal, Mr. Shyam Agarwal, Mr. Puran Chand and Mrs. Renu Kejriwal on the Board of your Company have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 and also they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and Listing Regulations.

The Board of Your Company formed the opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience for performing their role as Independent Directors of the Company. With regard to proficiency, all the independent directors of the Company have registered themselves in the Data Bank maintained with Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Companies Act, 2013 and Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake an online proficiency self-assessment test conducted by the institute within a period of two years from the date of inclusion of his name in the data bank. Dr. Dhanpat Ram Agarwal is exempted from qualifying proficiency test due to his relevant expertise in

listed public Company for a total period of not less than ten years, as on the date of inclusion of his name in the databank. However, Mr. Shyam Agarwal, Mr. Puran Chand and Mrs. Renu Kejriwal, Independent Directors of the Company will appear for online proficiency test within two years from the date of inclusion of his name in the data bank.

**24. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Board has formulated a familiarization programme for Independent Directors which is available on the Company’s website may be accessed by clicking on below web link:

(<http://www.barakcement.com/PDF/Company%20Policies/FAMILIARIZATION%20PROGRAM%20FOR%20INDEPENDENT%20DIRECTORS.pdf>)

The familiarization programme aims to provide Independent Directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The senior management personnel of the Company, on a structured basis, interact with directors to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

**25. MEETINGS OF THE BOARD**

During the Financial Year 2020-21, 5 (Five) Board Meetings, 4 (Four) Audit Committee Meetings and 3 (Three) Nomination & Remuneration Committee Meetings were convened. The details of which are given in the Corporate Governance Report forming part of this Report.

Further, we affirm that the intervening gap between the Meetings was within the period prescribed under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26.06.2020 and the Companies Act, 2013 and in Regulation 17(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

**26. MEETINGS OF INDEPENDENT DIRECTORS**

During the year under review, a meeting of Independent Directors was held on Thursday, the 28<sup>th</sup> Day of January, 2021 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also inter alia assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

**27. DIRECTORS RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that the internal financial controls are adequate and were operating effectively;
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **28. AUDITORS & AUDITORS' REPORT**

### **28.1 Statutory Auditors and Audit Report**

Pursuant to Section 139 of the Companies Act, 2013, M/s P.K. Lakhani & Co., Chartered Accountants, (Firm Registration No. 014682-N) Statutory Auditors of the Company have been appointed by the members at the Eighteenth Annual General Meeting to hold office for a period of 5 years from the date of such meeting held on 28<sup>th</sup> September, 2017.

Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017 effective from 7<sup>th</sup> May, 2018, the requirement of seeking ratification of Members for the appointment of the Statutory Auditors has been withdrawn. Therefore, ratification by the Members is not being obtained at the ensuing AGM.

The Audit Report submitted by Statutory Auditor on Annual Standalone & Consolidated Financial Statement for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark or disclaimer. The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments. The Auditors have also not reported any matter under Section 143(12) of the Companies Act, 2013.

### **28.2 Cost Auditors and Cost Audit Report**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its manufacturing activity are required to be audited. Your Directors on the recommendation of the Audit Committee, re-appointed M/s. Nirmalendu Kar

Purkayastha, Cost Accountants (Firm Regn. no. 100103) as Cost Auditors of the Company for the financial year 2020-21 in the Board Meeting held on September 14, 2020.

M/s. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) confirmed eligibility to be re-appointed as Cost Auditors of the company and expressed his willingness to be re-appointed for the financial year 2021-22. The Board of Directors on recommendation of the Audit Committee has re-appointed M/s. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) as the cost auditors of the Company for the financial year 2021-22 at remuneration of Rs. 30,000/- subject to ratification of their remuneration by shareholders in the ensuing Annual General Meeting of the Company.

As required under the Act, the remuneration payable to cost auditors has to be placed before the Members at general meeting for ratification. Hence, a resolution for the same forms part of the Notice of the ensuing AGM.

The Cost Audit Report for the Financial Year 2019-20 has been duly filed with the Ministry of Corporate Affairs.

The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

### **28.3 Secretarial Auditor & Secretarial Audit Report**

In terms of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the recommendation of the Audit Committee, the Board of Directors of the Company has re-appointed M/s. Shailendra Roy & Associates, Company Secretaries as Secretarial Auditor of the Company for the financial year 2020-21. Secretarial audit report as provided by M/s. Shailendra Roy & Associates, Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as "**Annexure-2**". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. The report is self-explanatory and therefore do not call for any further comments.

In terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Goombira Tea Company Limited and Valley Strong Cements (Assam) Limited, material wholly owned Subsidiaries of the Company are liable to undertake secretarial audit and reports submitted by secretarial auditor is annexed herewith and marked as "**Annexure 2A**" and "**Annexure 2B**". The reports are self-explanatory and therefore do not call for any further comments.

Further, M/s. Shailendra Roy & Associates, Company Secretaries being eligible to be re-appointed as Secretarial Auditors of the company and expressed his willingness to be re-appointed for the financial year 2021-22. The Board of Directors on recommendation of the Audit Committee has re-appointed M/s. Shailendra Roy & Associates, Company Secretaries as the Secretarial Auditors of the Company for the financial year 2021-22.



**29. INSURANCE**

All the properties of the Company including building, plant and machinery and stocks, where necessary and to the extent required have been adequately insured against major risks.

**30. EXTRACT OF ANNUAL RETURN**

In terms of requirement of Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in Form MGT-9 is available on the website of the Company at [www.barakcement.com](http://www.barakcement.com).

**31. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as **“Annexure 3”**.

**32. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

The details relating to the ratio of the remuneration of each director to the median employee’s remuneration and other prescribed details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as **“Annexure 4”**.

**33. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

In accordance with Section 134(5)(e) of the Companies Act, 2013 and Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, the Company has an Internal Financial Control Policy and Procedures commensurate with the size and nature of operations and financial reporting. The Company has defined standard operating procedures covering all functional areas like sales, marketing, materials, fixed assets etc.

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

**34. CORPORATE GOVERNANCE**

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report for the Financial Year 2020-21 as required under SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 of

the Company is attached herewith and marked as **“Annexure-5”** forms part of this Report. The requisite certificate(s) from the Statutory Auditor of the Company confirming compliance with the conditions of Corporate Governance and from Company Secretary in practice that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such authority is attached to the Corporate Governance Report.

**35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the Financial Year 2020-21, the regulators or courts or tribunals have not passed any significant or material order impacting the going concern status and Company’s operations in future.

**36. COMPLIANCE WITH THE SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS AND INDIAN ACCOUNTING STANDARDS**

During the Financial Year 2020-21, the Company has complied with all the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

**37. CHANGE IN NATURE OF BUSINESS, IF ANY**

During the Financial Year 2020-21, there has not been any change in the nature of business of the Company.

**38. CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Compliance Certificate furnished by CEO/ CFO as specified in Part B of Schedule II of Listing Regulations has been submitted to the Board of Directors and a copy thereof is contained in this Annual Report.

**39. GREEN INITIATIVES IN CORPORATE GOVERNANCE**

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders. To support the ‘Green Initiative’, members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/ Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

**40. CAUTIONARY STATEMENT**

Statements in the Directors Report and the Management Discussion and Analysis describing the company’s objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in

the statement. Important factors that could influence the company's operations include: domestic demand and supply conditions affecting selling prices, new capacity additions, availability of materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the company.

#### **41. APPRECIATION**

The Directors take this opportunity to express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation, continued guidance, support and look forward to their continued support in future. The Directors would also like to place on record the sincere dedication, commitment and hard work of our employees and their contribution to

your Company's performance. We are deeply grateful for the confidence and faith that you have always reposed in us.

**For BARAK VALLEY CEMENTS LIMITED**

**Kamakhya Chamaria**  
**(Vice Chairman & Managing**  
**Director)**

**DIN : 00612581**  
**Add: 48/72, West Punjabi**  
**Bagh, New Delhi-110026**

**Santosh Kumar Bajaj**  
**(Director)**

**DIN: 00045759**  
**Add: Bajaj Engineering Co**  
**Compound, F A Road,**  
**Kumarpara Guwahati,**  
**Assam- 781009**

**Place: New Delhi**  
**Date: 13.08.2021**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC OVERVIEW

The global growth contraction for 2020 is estimated at 3.5% as against growth of 2.9% in 2019. Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Advanced economies contracted 4.9% in 2020 but are expected to grow at 4.3% in 2021. Emerging markets witnessed lower economic impact than advanced economies in 2020 at 2.4% contraction and higher expected growth at 6.3% in 2021. The sizeable fiscal support and additional policy measures announced at the end of 2020 - notably in the United States and Japan - are expected to provide support to the global economy. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. Multiple vaccine approvals and the successful vaccination drive carried out in most countries in early 2021 have raised hopes of an eventual end to the pandemic.

(Source: IMF-World Economic Outlook January 2021)

### Regional Growth% over the year

Regional Growth %	2020	2019
World Output	(3.3)	2.9
Advanced Economies	(4.9)	1.7
Developing and Emerging	(2.4)	3.7

### INDIAN ECONOMY

The Indian economy passed through one of the volatile periods in living memory in 2020-21. The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review and the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The economy had contracted by a record 23.9% in the first quarter due to the coronavirus pandemic and consequent lockdowns. However, the contraction narrowed to 7.5% in the second quarter and expanded 0.4% in the third quarter as economic activity picked up with Government adopting the policy of "lives as well as livelihoods" as against "lives over livelihoods" and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery - one of the most decisive among major economies validated India's robust long-term consumption potential.

### Y-o-Y Growth of Indian Economy

	2018	2019	2020	2021
Real GDP growth (%)	7	6.1	4.2	(7.3)

### Growth of Indian Economy, 2020-21

	Q1, FY 2021	Q2, FY 2021	Q3, FY 2021	Q4, FY 2021
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

The per capita income was estimated to have declined by 5% from Rs. 1.35 lakh in 2019-20 to Rs. 1.27 lakh in 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of 2020-21. Manufacturing and services, trade, hotel, transport sector the most hit sectors in FY 2020-21 were expected to contract 8.4% and 18% respectively. Electricity is likely to post 1.8% growth while agriculture sector growth is expected at 3% aided by good monsoon and uninterrupted work through most of the year. The pick-up in construction activity witnessed towards the end of the fiscal, with its wide array of backward and forward linkages, is slowly developing into a critical growth lever of the economy.

A slowdown in economic growth and inflation weakened the country's currency rate nearly 2.83% in 2020 from Rs. 71.28 to Rs. 73.30 to a US dollar before recovering towards the close of the financial year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to US\$57 billion in 2020.

Agriculture sector continues to show robust growth and is instrumental in strengthening rural demand by way of increased allocation for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in FY 2020-21. Rapid production and deployment of vaccination

will be critical to taking forward the health stimulus deep into FY 2021-22. As a result of recovering investor sentiment, recovery in manufacturing and construction, investment focused Government spending and massive vaccination drive undertaken by the Government, India's GDP growth is likely to rebound sharply to 12.6% in FY 2021-22 supported by strong fiscal and quasi-fiscal measures, making it the fastest-growing economy in the world, as per Organization for Economic Co-operation and Development (OECD).

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the Rs. 45,000 Crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalyzing India's growth journey.

*(Source: National Statistics Office; OECD)*

### **INDIAN CEMENT INDUSTRY OVERVIEW**

According to the Cement Manufacturers Association, India is the second largest producer of cement in the world after China and accounted for more than 7% of the global installed capacity. The total installed capacity in Indian cement sector is ~545 million tons per annum (MTPA). India's overall cement production accounted for 294.4 million tonnes (MT) in FY21 and 329 million tonnes (MT) in FY20. Covid-19 pandemic has had a severe hit on the cement sector leading to a demand contraction of about 10-13% in FY 2020-21, following lockdown measures taken by the Indian government to curb the spread of global pandemic in the country. This also negatively impacted capacity utilization levels of the domestic manufacturers.

A further analysis reveal that the cement industry was worst affected in the prime metropolitan cities, Diversion of Government funds towards health and public welfare led to lower capex in cement projects weighed on demand growth as Government-led projects account for 35-40% of total demand. Recovery post opening up of businesses was slower owing to weak business sentiment and labour availability issues. The only relief was the rural demand which showed good offtake led by reverse migration and steady farm incomes even amidst lockdown. Overall impact on cement volume is expected to be 2% decline as a swift recovery in last quarter of FY 2020-21 compensated for the 31% decline in volume witnessed in the first quarter of the fiscal. Infrastructure push by the Government, a pick-up in real-estate demand and industry consolidation resulted in increase in pan-India cement prices in March 2021.

The cement industry which was subjected to lower capacity utilization also witnessed substantial increase input cost in the form of increase in fuel price and continuous increase in petroleum product prices throughout the year. The cement prices however picked up smartly during the year to compensate for the adverse effects of lower volumes and cost push, thereby resulting in improved bottom line. The industry adopted work from home concept, multi-tasking, lesser dependent on contract labour which resulted in substantial saving in overheads.

Overall, the year under review was a year of mixed fortune for the cement industry with reduced volumes, deferment of expansion, increased cost of inputs compensated by improved prices and increased demand from the rural housing segments resulting in improved bottom line. With the second wave blocking the road to recovery in demand, the prospects are cautiously optimistic for the industry in the ensuing financial year as there are broad indications by various agencies expecting a double digit growth in the economy during the current financial year. However, we will have to wait for the impact of the second wave which has not fully subsided till the end of the 1<sup>st</sup> quarter of the current fiscal.

### **Opportunities and Threats, Risks and Concerns**

The cement industry is set to hit a decadal high volume growth of 20% in FY 2021-22 aided by an expected revival in demand from the infrastructure and urban housing sectors in line with ~26% increase in budgetary allocation for infrastructure in the Union Budget 2021-22. In addition to these sectors, rural demand is also expected to sustain on the back of higher rural incomes witnessed in FY 2020-21 and by positive farm sentiment. PMAY-G is expected to sustain momentum as it utilizes its potential to engage rural workforce and drive rural employment. Sufficient cash inflow in the rural economy could commensurate in rural infrastructure creation thus augmenting cement demand. PMAY-U has also witnessed pickup as against other housing segments owing to low ticket sizes and government incentives like inclusion of PMAY-U and infrastructure sector in the 'Atmanirbhar Bharat 3.0' package.

The increased sales volume will compensate the impact of rising power and fuel costs on cash accruals. Rising cost of diesel, pet coke and coal may push up cost as freight, power and fuel constitute ~55% of the total cost of sale of cement.

Return of volume growth to pre-pandemic levels to an expected 18-20% growth in cement demand, supported by rural demand, push for affordable housing, and recovery in infrastructure segment. Cement production capacity is forecast to increase by up to 20-22 MT compared to 15-17 MT in FY 2020-21. Most of this additional capacity is expected to be in the Eastern region. Capacity utilization rates are also expected to recover from the low levels of FY 2020-21.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 MTPA by 2025.

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

(Source: Source: CRISIL rating - <http://www.businessworld.in/article/Cement-Industry-Expected-To-Grow-13-By-Volume-In-FY22-Crisil-Ratings/11-03-2021-383613/>;

CII study - <https://m.economictimes.com/industry/indl-goods/svs/cement/indias-cement-demand-to-touch-550-600-million-tonnes-per-annum-by-2025-study/articleshow/34435994.cms>)

### **Risk Management**

Your Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of Directors of the Company is kept informed about the risk management of the Company. The Audit Committee of Board, keeps an eye on execution of the risk management plan of the Company and advises the management on strengthening mitigating measures wherever required. The actual identification, assessment and mitigation of risks are however done by key executives of the Company in a systematic manner through regular meetings and dialogue and engagement/ consultation with relevant stakeholders. The risks are prioritized according to significance and likelihood. Risks having high likelihood and high significance are classified as 'key risk'.

The 'Key Risks' identified by the Company and their mitigation are as under:

- **Economic Environment and Market Demand Risk:** Maintaining market position in a highly volatile, uncertain, complex and ambiguous environment, especially given the demand contraction caused by COVID-19 pandemic.  
Mitigation: The positive macro-economic environment, government support and our own capex plans will help us address India's growing cement demand.
- **Resource Availability and Price Risk:** The rise in input costs increased the overall cost of production and it's necessary to secure key inputs to remain cost-competitive and ensure sustainable supply.  
Mitigation: Exploring new contracts to secure competitive supply sources, wherever possible and investing in Infrastructure to ensure seamless availability of resources.
- **Legal and Compliance Risk:** The country's regulatory framework is ever-evolving and the risk of non-compliance and penalties can lead to reputational and financial consequences, while compliance too comes at the cost for innovation, alternatives, transformation and upgradation, among others.  
Mitigation: A comprehensive risk based compliance programme, involving inclusive training and adherence to the Code of Conduct, is thus institutionalized by your Company.
- **Climate and Sustainability Risk:** Environment protection is of paramount importance, considering the energy-intensity of the sector.  
Mitigation: Various initiatives are being undertaken to arrest the adverse impact caused by our production activities, such as installation of bag filters to reduce dust pollution, extensive plantation and creation of green belts to de-risk and protect the environment.
- **Financial Risk:**
  - i) **Investment Risk:** If the plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
  - ii) **Discount Rate Risk:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - iii) **Life Expectancy:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
  - iv) **Salary growth risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability. Any variation in salary increase rate assumption in future valuations will also increase the liability.Mitigation: The company's objective when managing capital are to:
  - Safeguard their ability to continue as a going concern of the company, so that they can provide returns for shareholders and benefits for other stakeholders
  - Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend to shareholders, return capital to shareholders or issue new shares.

## I. OUTLOOK

After the global recession in 2020 triggered by Covid-19, most countries are expected to recover in 2021. The World Bank has estimated that only 12 economies will remain in recession in 2021. IMF has projected world economy to grow 6% in 2021 and 4.2% in 2022.

In India, the outbreak of Covid second wave in the second half of March led to local lockdowns and stringent mobility restrictions in April and May. However, with gradual relaxations and recovery in terms of various high frequency economic indicators and the immunization drive, Indian economy is expected to bounce back to pre-Covid level posting a strong growth of 9.5% (albeit on low base) in 2021-22 as projected by RBI and Global agencies.

The outlook for the cement sector in 2021 is robust, with growth estimated at more than 10% YoY over that in 2020. The country's demand revival is likely to be led by the North, East and Central regions. The primary drivers of growth will be infrastructure and affordable housing. Highways and roads, metro rail projects and dedicated freight corridors are expected to see increased levels of activity with sharply higher budgetary allocations in the next year. The continued focus on affordable housing will also ensure healthy demand for cement in the coming year.

The expansionary Budget for 2021-22 with Rs. 34.83 lakh crore outlays and higher fiscal deficit of 6.8% in 2021-22 has envisaged a huge 34% increase in capital expenditure at Rs. 5.44 Lakh crore.

## II. FINANCIAL PERFORMANCE

The following are the highlights of the performance of the Company (Standalone):

(Rs. in Lacs)

Particulars	2020-21	2019-20
Net Sales	13281.96	15496.98
Profit/(Loss) after Tax	317.86	422.31
Net Worth	9193.39	8870.32
Borrowings(Long Term)	6359.08	5223.77
Earning Per Share	1.43	1.91
Production(MT)	213102	248061
Dispatches(MT)	211769	247982

During the year under report, your Company has earned net profit of Rs. 317.86 Lacs in comparison to net profit of Rs. 422.31 Lacs in the previous year.

### SALES & MARKETING

Your Company has a diversified customer base in Tripura, Mizoram and Barak Valley Region consisting of potential customers, contractors, builders, institutions, Government Agencies. Your Company's brand "**Valley Strong**" is a brand of trust and reliance for the people of North East since inception and therefore the entire production of the Company is sold in North east region. During the year the Gross Revenue from operations were Rs. 13281.96 Lacs in comparison of previous year Rs. 15496.98 Lacs. Your Company had also incurred Rs. 216.06 Lacs in the year 2020-21 as compared to Rs. 241.06 Lacs in the year 2019-20 on the Advertisement, Publicity & Sales Promotion expenses.

### COSTS

#### (a) Raw Material

##### (i) Lime Stone :

During the year, the Company has consumed 199392 MT of Limestone as compared to 232979 MT of Limestone during last year. The Company had incurred Rs. 911.40 per MT an average acquisition cost of Limestone as compared to Rs. 918.54 per MT in last year.

##### (ii) Fly Ash:

During the year, the Company has consumed 30088 MT of Fly ash against 32082 MT during last year. The average acquisition cost per MT of Fly ash has been Rs. 2093.52 per MT in current year as compared to Rs. 1779.19 per MT in the last year. The total cost of fly ash consumed in the year 2020-21 is Rs. 629.90 as compared to 2019-20 was Rs. 590.81 Lacs.

**(iii) Gypsum:**

Gypsum consumption of the Company in the year 2020-21 was 14.36 Lacs.

**(b) Salaries, Wages and Labor Cost**

In current year 2020-21, the Company has incurred Rs. 1350.08 Lacs on salaries, wages and labour cost as against Rs. 1327.08 Lacs in 2019-20.

**(c) Transportation Cost**

The Company has dispatched 211769 MT of cement in the Year 2020-21 as compared to 248068 MT of cement in the previous financial year. Due to this the overall transportation cost had decreased to Rs. 938.91 Lacs as compared to Rs. 2304.51 Lacs in the last year.

**(d) Financial Costs**

During the year the Company had incurred Rs. 805.47 Lacs in Interest & Financial Costs as compared to Rs. 772.19 Lacs in the previous year 2019-20.

**III. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company adheres to the prescribed Accounting Standards for the purpose of preparation of Financial Statements. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Act and subsequent amendments thereof.

The financial statements are prepared on a going concern basis and are presented in Indian Rupees and all values are rounded off to the nearest million except when otherwise indicated. The financial statements have been prepared under the historical cost basis except for derivative financial instruments and certain other financial assets and liabilities that have been measured at fair value.

**IV. SEGMENT WISE PERFORMANCE(BASED ON CONSOLIDATED):**

The Company has discussed the performance of following segments:

Name of Segment	2020-21		2019-20	
	Segment Revenue (Rs. in Lacs)	Segment Profit/Loss (Rs. in Lacs)	Segment Revenue (Rs. in Lacs)	Segment Profit/Loss (Rs.in Lacs)
<b>Cement</b>	13281.96	1907.57	15496.98	1171.11
<b>Unallocated/Others</b>	1407.94	(435.74)	703.84	37.55
<b>Total</b>	<b>14689.90</b>	<b>1471.83</b>	<b>16200.82</b>	<b>1208.66</b>

During the year, the revenue and profit from Cement division have increased as compared to the previous year.

**V. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. It has established internal control mechanisms commensurate with the size and complexity of its business. A strong Internal Control framework is established through right tone at the top for good corporate governance which serves as a foundation for excellence and the same is embedded in operations through its policies and procedures.

The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013 and has covered all major processes commensurate with the size of business operations. These have been established at the entity & process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording & reporting of financial & operational information. The Company has reviewed and sustained internal financial controls by adopting a systematic approach to evaluate, control design and operating effectiveness. BVCL has deployed a vigorous Internal Controls and Audit Mechanism to facilitate an accurate and fair presentation of its financial results. This process not just ensures adherence to regulatory standards and meets statutory compliance requirements, but also confirms that our reporting is complete, reliable and understandable. In addition, there is a specific impetus on safeguarding investor interests with deployment of the highest levels of governance and regular communication with them.

Further, Internal Audit Function is looked by Internal Audit department which reports to the Audit Committee of the Board. Internal Audit function works independently and evaluates the efficacy and adequacy of internal control system, its compliance with operating system and policies of the company and accounting procedure at all location, i.e. plant, marketing office & depots. Based on the input of internal

audit report, designated process owner takes corrective actions in their respective area thereby strengthening controls and checks. In case any significant observations are noticed same is brought to the knowledge of members of audit committee for corrective actions.

#### VI. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The role of Human Resources has evolved in recent years. Today, it operates in complete partnership with senior leadership and business functions translating strategic priorities into action. The end result: to develop and sustain a culture where every employee is respected and valued for their good work.

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

The Company provides a culture of freedom for the employees where an employee is able to speak his / her mind for the organizational improvements. The Leaders conduct meetings to provide a platform to the team where they can share their concern and get solutions.

Your Company provides regular skill and personnel development trainings to enhance productivity. This also includes creating the first line of leaders, internal job posting, and high level of promotions, ensuring low attrition rates. Your Company emphasizes on good governance and has in place the whistle blower and anti-sexual harassment policies. The arrangement creates an amicable growth scenario for both the employees and organizational goals. The Company's number of employees as at March 31, 2021 on consolidated basis stood at 292 (Previous Year 284).

#### VII. STATEMENT OF KEY FINANCIAL RATIOS

Particulars	March 31, 2021	March 31, 2020	% change in Financial Ratios
Debtor Turnover Ratio	9.16	11.76	-22.11%
Inventory Turnover Ratio	10.95	20.50	-46.59%
Interest Coverage Ratio	1.58	1.57	0.64%
Current Ratio	1.00	0.76	31.58%
Debt Equity Ratio	0.69	0.59	16.95%
Operating Profit Margin (%)	9.61	7.93	21.19%
Net Profit Margin (%)	2.41	2.62	-8.02%
Return on Net Worth (%)	3.51	4.61	-23.86%

The reasons for significant changes (i.e. change of 25% or More) in above key financial ratios are as follows:

##### **Inventory Turnover Ratio**

During the last F.Y.2019-20, there is lesser inventory of Raw material & packing material at year end as there was nation wise lock down due to COVID-19 pandemic. However in current F.Y.2020-21, inventory of Raw material & packing material are resumed to its normal level resulting in mismatch Inventory Turnover Ratio.

##### **Current Ratio**

During the year F.Y. 2020-21, Company has paid off the outstanding sundry creditors & other liabilities resulting in substantial decline in Trade payables & current liabilities. Due to this Current ratios has been improve to 1 : 0 as compared to 0.70 : 1 times.

##### **Return on Net worth (%)**

Due to the impact of Covid-19 Pandemic, Revenue from Operations as well as Net Profits (After Tax) has been declined during the year F.yr.2020-21, resulting in lower return on net worth during the year.



**VIII. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**For BARAK VALLEY CEMENTS LIMITED**

**Kamakhya Chamaria**  
**(Vice Chairman & Managing Director)**  
**DIN : 00612581**  
**Add: 48/72, West Punjabi Bagh**  
**New Delhi-110026**

**Santosh Kumar Bajaj**  
**(Director)**  
**DIN: 00045759**  
**Add: Bajaj Engineering Co**  
**Compound**  
**F A Road, Kumarpara**  
**Guwahati, Assam- 781009**

**Place: New Delhi**  
**Date: 13.08.2021**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March 2021**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule**  
**No.9 of the Companies (Appointment and Remuneration Personnel)**  
**Rules, 2014]**

To,  
The Members,  
**BARAK VALLEY CEMENTS LIMITED**  
**CIN: L01403AS1999PLC005741**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BARAK VALLEY CEMENTS LIMITED** (hereinafter called the Company) for the Financial Year ended 31<sup>st</sup> March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **BARAK VALLEY CEMENTS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BARAK VALLEY CEMENTS LIMITED** ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

- (i). The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefit), Regulations, 2014;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi). The laws applicable specifically to the Company are as under:
  - 1. Factories Act, 1948;
  - 2. Industrial Dispute Act, 1947;
  - 3. The Payment of Wages Act, 1936;
  - 4. The Minimum Wages Act, 1948;
  - 5. Employees' State Insurance Act, 1948;

6. The Employees' Provident Fund and Misc. Provision Act, 1952;
7. The Payment of Bonus Act, 1965;
8. The Payment of Gratuity Act, 1972;
9. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
10. The Water (Prevention and Control of Pollution) Act, 1974;
11. The Air (Prevention and Control of Pollution) Act, 1981;
12. Petroleum Act, 1934;
13. The Standards of Weights & Measures (Enforcement) Act, 1985.

We have also examined compliance with the applicable clauses of the following:

- (i). Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii). The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock exchange;

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

We further report that –

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
(Proprietor)  
ACS - 25823  
C.P. No.: 11738

**Place: New Delhi**  
**Date: 06.08.2021**

**ANNEXURE - 1**

To,  
The Members,

**BARAK VALLEY CEMENTS LIMITED**

Our Secretarial Audit report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the Responsibility of the management of the Company to maintain secretarial records, device proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of event etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis.

**Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
**(Proprietor)**  
**ACS - 25823**  
**C.P. No.: 11738**

**Place: New Delhi**  
**Date: 06.08.2021**

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March 2021**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule**  
**No.9 of the Companies (Appointment and Remuneration Personnel)**  
**Rules, 2014]**

To,  
 The Members,

**GOOMBIRA TEA CO LIMITED**  
**CIN: U01132AS1962PLC001188**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GOOMBIRA TEA CO LIMITED** (hereinafter called the Company) for the **Financial Year ended 31<sup>st</sup> March, 2021**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **GOOMBIRA TEA CO LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions enlisted hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **GOOMBIRA TEA CO LIMITED** ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

- (i). The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI were not applicable;
- (vi). The laws applicable specifically to the Company are as under:
  1. Factories Act, 1948;
  2. Industrial Dispute Act, 1947;
  3. The Payment of Wages Act, 1936;
  4. The Minimum Wages Act, 1948;
  5. Employees' State Insurance Act, 1948;
  6. The Employees' Provident Fund and Misc. Provision Act, 1952;
  7. The Payment of Bonus Act, 1965;
  8. The Payment of Gratuity Act, 1972;
  9. The Tea Act, 1953;
  10. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
  11. The Water (Prevention and Control of Pollution) Act, 1974;
  12. The Air (Prevention and Control of Pollution) Act, 1981;
  13. Petroleum Act, 1934;
  14. The Standards of Weights & Measures (Enforcement) Act, 1985.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that –

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
**(Proprietor)**  
**ACS - 25823**  
**C.P. No.: 11738**

**Place: New Delhi**  
**Date: 06.08.2021**

**ANNEXURE - 1**

To,  
The Members,

**GOOMBIRA TEA CO LIMITED**

Our Secretarial Audit report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the Responsibility of the management of the Company to maintain secretarial records, device proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of event etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis.

**Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
**(Proprietor)**  
**ACS - 25823**  
**C.P. No.: 11738**

**Place: New Delhi**  
**Date: 06.08.2021**

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March 2021**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule**  
**No.9 of the Companies (Appointment and Remuneration of Personnel)**  
**Rules, 2014]**

To,  
 The Members,  
**VALLEY STRONG CEMENTS (ASSAM) LIMITED**  
**CIN: U26940AS2009PLC009197**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VALLEY STRONG CEMENTS (ASSAM) LIMITED** (hereinafter called the Company) for the **Financial Year ended 31<sup>st</sup> March, 2021**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **VALLEY STRONG CEMENTS (ASSAM) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions enlisted hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **VALLEY STRONG CEMENTS (ASSAM) LIMITED** ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

- (i). The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI were not applicable;
- (vi). The laws applicable specifically to the Company are as under:
  1. Factories Act, 1948;
  2. Industrial Dispute Act, 1947;
  3. The Payment of Wages Act, 1936;
  4. The Minimum Wages Act, 1948;
  5. Employees' State Insurance Act, 1948;
  6. The Employees' Provident Fund and Misc. Provision Act, 1952;
  7. The Payment of Bonus Act, 1965;
  8. The Payment of Gratuity Act, 1972;
  9. The Tea Act, 1953;
  10. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
  11. The Water (Prevention and Control of Pollution) Act, 1974;
  12. The Air (Prevention and Control of Pollution) Act, 1981;
  13. Petroleum Act, 1934;
  14. The Standards of Weights & Measures (Enforcement) Act, 1985.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that –

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
(Proprietor)  
ACS - 25823  
C.P. No.: 11738

**Place: New Delhi**

**Date: 06.08.202**

**ANNEXURE - 1**

To,

The Members,

**VALLEY STRONG CEMENTS (ASSAM) LIMITED**

Our Secretarial Audit report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the Responsibility of the management of the Company to maintain secretarial records, device proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of event etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis.

**Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Shailendra Roy & Associates**

**Shailendra Kumar Roy**  
(Proprietor)  
ACS - 25823  
C.P. No.: 11738

**Place: New Delhi**

**Date: 06.08.2021**



## Annexure 3

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014]

## A) CONSERVATION OF ENERGY-

a) **The Steps taken or Impact on Conservation of Energy-**

- 1) One Raw Mill 2 m  $\phi$  X 8m said to be Raw Mill No.3, has been converted from Open Circuit to Close Circuit. The Production increased from 8 T/Hr. to 15 T/Hr. and thus saving in Power by 5 Unit/Ton of Grinding.
- 2) Cement Mill No.2 length has been increased by 1500 mm and accordingly Gear Box & Motor changed. The Cement production has been increased from 8.5 T/Hr. to 11 T/Hr. Thus Saving in Power by 2 Unit/Ton of Grinding.
- 3) Cement Mill No.3 – 2.6 m X 9.5 m long was realigned with change of Shell by 3.75 m and change of Girth Gear & Pinion along with modified Liners. This has reduced by Power by One Unit/Ton of Cement.

b) **The Steps taken by the Company for Utilizing Alternate Sources of Energy-**

- (i) Rice Husk and Saw Dust used to reduce the Coal Consumption.
- (ii) Tyre Dust used alongwith Fine Coal to reduce the Coal Consumption.

c) **The Capital Investment on Energy Conservation Equipments provided in the sub-point (a) of the above- is Rs. 30.92 Lacs.**

## B) TECHNOLOGY ABSORPTION-

**The efforts made towards technology absorption-****Researches and Development (R&D) –**

- (i) All the White Metalled Trunion Bearings Lubrication Oil monetary & Tripping System installed in Auto Mode for safety of Equipment.
- (ii) The benefits arrived –  
This has lead to safety to equipment – indirectly saving in Power & Maintenance Cost.
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial years), following information may be furnished – NA.**
- (iv) **The expenditure incurred on Research and Development is – NIL.**

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

Due to demand supply gap in North Eastern areas, the Company is able to sell its entire production in the domestic market itself. Hence, the Company is not engaged in any import or export.

**Annexure 4**
**STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**
**(A) Information as per Rule 5(1) of the Chapter XIII, Companies(Appointment & Remuneration of Managerial Personnel) Rules, 2014:**
**i) The Ratio of Remuneration of each Director to the Median of Remuneration of Employee and percentage increase in remuneration of the Directors and Key managerial Personnel of the Company for the Financial Year stood as:**

S. No.	Name of Director & Key Managerial Personnel(KMP)	Designation	Remuneration of Director/KMP for financial year 2020-21 (Rs. in Lakhs)	Percentage increase in Remuneration	Ratio to median remuneration
1	Mr. Kamakhya Chamaria	Vice Chairman & Managing Director	48.00	NIL	29.18:1
2	Mr. Santosh Kumar Bajaj	Director	-	NIL	N.A.
3	Mr. Mahendra Kumar Agarwal	Director	-	NIL	N.A.
4	Dr. Dhanpat Ram Agarwal	Director	-	N.A.	N.A.
5	Mrs. Renu Kejriwal	Director	-	N.A.	N.A.
6	Mr. Shyam Agarwal	Director	-	N.A.	N.A.
7	Mr. Puran Chand	Director	-	N.A.	N.A.
8	Mr. Mukesh Kumar Shovasaria	Chief Executive Officer	25.66	NIL	N.A.
9	Mr. Rajesh Aggarwal	Chief Financial Officer	18.99	NIL	N.A.
10	Mrs. Manisha Mahana*	Company Secretary*	0.36	NIL	N.A.
11	Ms. Deepa**	Company Secretary**	1.38	NIL	N.A.

Note: For the purpose of calculation of the ratio of the remuneration of each director to the median of remuneration of employees, the employees who have served the Company for the whole financial year from 01.04.2020 till 31.03.2021 were considered.

\* Appointed as Company Secretary & Compliance Officer w.e.f. 26.08.2020 and Resigned w.e.f. 11.11.2020.

\*\* Appointed as Company Secretary & Compliance Officer w.e.f. 12.11.2020.

- ii) None of the non executive Directors of the Company receive any remuneration from the company.**
- iii) The median remuneration of employees of the Company during the financial year was Rs. 1,64,496/-.**
- iv) Percentage Increase in the Median Remuneration of Employees in the Financial Year 2020-21 is 1.17%.**
- v) Number of Permanent Employees on the roll of the Company during the Financial Year 2020-21 were 278.**
- vi) Average Percentile Increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:**

The Average percentile increase in the salaries of non-managerial employees in the financial year 2020-21 was -0.93%, while the average percentile increase in the managerial Remuneration was NIL.

**vii) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(B) Statement of Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of managerial) Rules, 2014:

DETAILS OF TOP 10 EMPLOYEES

S. No.	Name of Employee	Designation	Remuneration Received (Rs. in Lacs)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of Commencement of employment	Age	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company	Relation with any other director or manager of the Company
1	Mr. Mukesh Kumar Shovasarria	CEO	25.66	Permanent	B. Sc.	01.04.2001	51 years	Hasal Forest Product, Arunachal Pradesh	0.015	-
2	Mr. Sheo Kailash Pati Dalmia	Sr. Vice President- Works	25.66	Permanent	Diploma in Mechanical	06.12.2003	77 years	Kalyanpur Cements Ltd. Banjari, Bihar	-	-
3	Mr. Rajesh Aggarwal	CFO	18.99	Permanent	Chartered Accountant	18.04.2005	48 years	-	0.003	-
4	Mr. Arindom Dutta Purkayastha	DGM- Purchase	17.97	Permanent	M.A., MBA	10.08.2002	49 years	North Eastern Institute of Bank Management	-	-
5	Mr. Manoj Aggarwal	Sr. VP- Finance	15.51	Permanent	Chartered Accountant	18.04.2017	52 years	Diana Tea Company Ltd.	0.004	-
6	Mr. Bibhas Kanti Das	DGM- Accounts	11.22	Permanent	M.C.A.	01.08.2004	56 years	-	-	-
7	Mr. Lal Behari Sinha	Manager- Electrical	8.22	Permanent	ITI	01.04.2001	52 years	Vinay Cements Ltd., Umrungshu, Assam	-	-
8	Mr. Mumpy Barua	Area Sales Officer	8.06	contractual	10th Pass	01.10.2011	36 years	NIL	-	-
9	Mr. Normal Payeng	Manager - Accounts	7.95	Permanent	B.A.	01.01.2006	50 years	-	-	-
10	Mr. Premeshwar Timung	Sr. Maintenance Eng.	7.82	Permanent	9th Pass	23.04.2001	54 years	Vinay Cements Ltd., Umrungshu, Assam	-	-

## CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; ("SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015") is given below:

### Company's Philosophy on Corporate Governance

Your Company Barak Valley Cements Limited is always committed to the adoption of best governance practices and their adherence in true spirit. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability, sustainability, ethical behaviour and safety in all spheres of its operations.

Your Company subscribes to equitable treatment of all its stakeholders, which has helped in maintaining their trust and appreciation. The Board provides strategic guidance to your Company in all areas of its operations, while focusing on optimum utilisation of resources; governance and sustainability. All of this is done keeping in mind the interest of all stakeholders and the philosophy enshrined in your Company's Vision-Mission statement.

Your Company continuously strives to achieve excellence in corporate governance through its values -Integrity, Commitment, Passion, Seamlessness and Speed. Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 Sub-Regulation (2) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as applicable, with regard to Corporate Governance. In terms of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the details of compliance are as follows:

### I. BOARD OF DIRECTORS

#### • Composition

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and also direct, supervise and control the performance of the Company. The Company is in compliance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Companies Act, 2013 with respect to Composition of Board.

As on March 31, 2021, Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors. The Board consist of 7 (Seven) directors out of which 4 (Four) are independent (including one Women director) and 3 (three) are non-independent directors. None of the Directors is a director in more than 20 companies (including 10 public companies) and member of more than 10 committees or act as Chairman of more than 5 committees across all the companies in which they are Directors. Detailed profile of our Directors is available on our website: [www.barakcement.com](http://www.barakcement.com). None of the Non-Executive Directors serve as Independent Director in over seven listed companies and none of the Executive Director serves as Independent Director on any listed company.

All the Independent Directors have confirmed that they meet the independence criteria as mentioned under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of Companies Act, 2013. All the directors have made necessary disclosures about their directorships and the committee positions held by them in other companies during the financial year 2020-21. Following is the list of Directors of the Company showing details of their inter-se relations:

S. No.	Name of Director	Category	Inter-se Relationship amongst Directors	Designation
1.	Mr. Kamakhya Chamaria	Executive - Non-Independent	NIL	Vice Chairman & Managing Director
2.	Mr. Mahendra Kumar Agarwal	Non-Executive -Non-Independent	NIL	Director
3.	Mr. Santosh Kumar Bajaj	Promoter - Non-Executive - Non-Independent	NIL	Director
4.	Dr. Dhanpat Ram Agarwal	Independent - Non-Executive	NIL	Director
5.	Mr. Shyam Agarwal	Independent- Non-Executive	NIL	Director
6.	Mrs. Renu Kejriwal	Independent- Non-Executive	NIL	Director
7.	Mr. Puran Chand	Independent- Non-Executive	NIL	Director

#### Notes:

- i. The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- ii. The Board of Directors in their meeting held on 14<sup>th</sup> September, 2020 on recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Kamakhya Chamaria as Managing Director of the Company not liable to retire by rotation for a further period of 3 Years w.e.f. 30th September, 2020 and the same was also approved by the members in their Annual General Meeting held on 30th December, 2020.

- iii. The Shareholders of the Company approved re-appointment of Mr. Mahendra Kumar Agarwal as Director of the Company who was liable to retire by rotation in the Annual General Meeting of the Company held on 30th December, 2020.

The dates for the Board meetings are fixed after taking into account the convenience of all the directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the directors at least seven days in advance from the date of Board Meetings and Committee Meetings. All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the company on all its decisions periodically.

The names of the directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2021 are given herein below. Other directorships do not include alternate directorships (if any), directorships of private limited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013. In terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, only Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Barak valley Cements Limited) have been considered.

S. No	Name of Director	No. of Board Meetings during the Financial Year 2020-21		Whether Attended the last AGM held on December 30, 2020	Details of Directorships in other public companies*	No. of Committee position held in other Public Companies**	
		Held during their tenure	Attended			Chairman	Member
1	Mr. Kamakhya Chamaria#	5	5	Yes	3	Nil	Nil
2	Mr. Mahendra Kumar Agarwal	5	3	Yes	8	1	1
3	Mr. Santosh Kumar Bajaj	5	1	No	1	Nil	Nil
4	Dr. Dhanpat Ram Agarwal	5	2	No	2	1	2
5	Mrs. Renu Kejriwal	5	5	Yes	Nil	Nil	Nil
6	Mr. Shyam Agarwal	5	5	Yes	Nil	Nil	Nil
7	Mr. Puran Chand	5	5	No	Nil	Nil	Nil

\*Includes Private Limited Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Companies registered under Section 8 of the Companies Act, 2013, Membership of Managing Committees of Chambers of Commerce/Professional Bodies but excludes Foreign Companies.

\*\* Only Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI Regulations.

# The Board of Directors in their meeting held on 14<sup>th</sup> September, 2020 on recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Kamakhya Chamaria as Managing Director of the Company not liable to retire by rotation for a further period of 3 Years w.e.f. 30th September, 2020 and the same was also approved by the members in their Annual General Meeting held on 30th December, 2020.

Other Listed Companies where Directors of the Company are Directors and their category of Directorship (as on 31 March 2021):

S. No.	Name of the Director	Name of Listed Company	Category of Directorship
1	Dr. Dhanpat Ram Agarwal	TCI Finance Limited	Independent, Non-Executive Director

Note: Other directors do not hold directorship in any other listed company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management of the Company.

**The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors:** Industry, Leadership, Accounts & Finance, Taxes, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Risks, Administration and General Management, Board procedures and Governance.

**List of Directors possessing the skills/expertise and competencies:**

Name of Directors	Skills/Expertise and Competencies
Mr. Kamakhya Chamaria	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance, Administration, General Management, etc.
Mr. Mahendra Kumar Agarwal	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance, etc.
Mr. Santosh Kumar Bajaj	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance, etc.
Dr. Dhanpat Ram Agarwal	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures and Governance etc.
Mrs. Renu Kejriwal	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures and Governance etc.
Mr. Shyam Agarwal	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures and Governance etc.
Mr. Puran Chand	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures and Governance etc.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

- **Non-Executive Directors' and Independent Directors' compensation and disclosures**

Sitting fees / commission paid to the Non-Executive Directors and Independent Directors are recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors and Shareholders. None of the Directors were paid sitting fees / commission payable to the Non-Executive Directors and Independent Directors.

- **Number and Dates of Board Meetings held during the financial year ended March 31, 2021**

During the Financial Year 2020-21, our Board has met 5 (five) times and the Meetings of our Board of Directors were held on July 14, 2020, August 26, 2020, September 14, 2020, November 12, 2020 and February 12, 2021 to transact various businesses. The maximum gap between any two consecutive meetings was in compliance of the period prescribed under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26.06.2020 and MCA General Circular No. 11/2020 dated 24.03.2020 providing relaxation of time gap between two consecutive board meetings and all also in compliance with all the provisions as stipulated under Section 173 of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI). The Company has convened additional Board meetings to address specific needs of the company.

- **Number of shares and convertible instruments held by non-executive directors**

The following Non-Executive Directors of the Company are holding equity share in the Company.

Name	Category	No. of Equity Share
Mr. Santosh Kumar Bajaj	Non-Executive and Non-Independent Director	18,84,500
Mr. Mahendra Kumar Agarwal	Non-Executive and Non-Independent Director	14,75,780
Mrs. Renu Kejriwal	Independent and Non-Executive Director	150

As on March 31, 2021, since our Company has not issued any convertible instrument, none of the non-executive Directors of the Company is holding any convertible instruments of the company.

- **Performance Evaluation of Board**

As required, the Nomination and Remuneration Committee of Directors has specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc. The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc. In a separate meeting of the Independent Directors of the Company, performance of the Non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive and Non-executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

- **Separate Meeting of Independent Directors**

An Independent Directors meeting in accordance with the provisions of section 149(8) read with schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 was convened on Thursday, the January 28, 2021 to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman and/or Vice-Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and are being implemented.

- **Code of Conduct**

The Company has adopted the Code of Conduct as per Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and is applicable to all its board members and senior management personnel of the company. The Code of Conduct also lays down the duties of Independent Directors as per Companies Act, 2013. Pursuant to Regulation 26(5) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the company at large. Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, all the board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective codes of conduct. A declaration to that effect signed by the CEO is attached and forms part of the Annual Report of the Company. The copy of Code of Conduct is also available on the website of the Company [www.barakcement.com](http://www.barakcement.com)

- **Induction and Familiarization programme for independent directors**

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has been conducting various familiarization programmes. The details of such familiarization programmes for Independent Directors have been disclosed on the website of the Company - web link:

<http://www.barakcement.com/PDF/Company%20Policies/FAMILIARIZATION%20PROGRAM%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

- **Prevention of Insider Trading**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company ("the Insider Code"). The Insider Code aims at preserving and preventing misuse of unpublished price sensitive information. All Directors, Designated Employees and Connected Persons of your Company are covered under the Insider Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of the Company by the Directors, Designated Employees and Connected Persons of your Company.

- **Resume of Directors proposed to be re-appointed**

The brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice convening the Annual General Meeting.

## II. COMMITTEES OF THE BOARD

In order to carry out the responsibilities & decision making more smoothly and in prudent manner the Board has formed various committees which are headed and constituted by various learned members of the Board having expertise and reservoir of experience in their respective fields such as finance, legal, accounts, marketing, etc.

The decisions and recommendations of the Committees are placed before the Board for information or approval. Currently, the company has 6 (Six) Committees of Board, namely:

- Ø Audit Committee
- Ø Sub-Audit Committee
- Ø Nomination and Remuneration Committee
- Ø Share Transfer Committee
- Ø Stakeholder's Relationship Committee
- Ø General Purpose Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled before the Board of Directors at the Board Meetings.

**A. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Executive and Non-Independent Director, all of whom are financially literate and have relevant finance and/or audit exposure. Mrs. Renu Kejriwal, Chairman of the Committee is Chartered Accountant and proficient in accounting and financial management. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two independent directors.

- **Meetings**

During the Financial Year 2020-21, the Audit Committee met 4 (four) times on July 14, 2020, September 14, 2020, November 12, 2020 and February 12, 2021.

**The Composition of the Audit Committee and the details of meetings attended by its members are given below:**

S. No.	Name of Director	Designation in Committee	Entitle to Attend	Meeting Attended
1	Mrs. Renu Kejriwal	Chairman	4	4
2	Mr. Kamakhya Chamaria	Member	4	4
3	Mr. Shyam Agarwal	Member	4	4

Notes:

- a) The Company Secretary of the Company acts as the Secretary of the Committee.
- b) The representative of Statutory Auditor and Internal Auditor of your Company has in person attended the Audit Committee meetings.
- c) The time gap was in compliance of the period prescribed under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26.06.2020 providing relaxation of time gap between two consecutive audit committee meetings and have an adequate quorum in every meeting.
- d) The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries of the Shareholders.
- e) The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company, oversight of your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.
- f) Audit Committee meetings are attended by the Chief Executive Officer, Chief Financial Officer of the Company.

- **Terms of Reference**

The Role of the Audit Committee is as defined under the relevant provisions of the Companies Act, 2013 and Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with stock exchanges is as follows:

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;



8. Approval or any subsequent modification of transactions of your company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and / or advances from/investment by the holding Company in the subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee reviews the following information:**

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor;
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of fund utilized for purposes other than stated in the offer document/prospectus/notice in terms of Regulation 32(7).

• **Sub-Audit Committee**

The Board has also set up a Sub-Audit Committee on May 15, 2009 in order to strengthen the Internal Audit procedure by keenly observing and implementing the findings & comments of the Internal Auditors of the Company and reporting the same to the Audit Committee.

The committee consists of following executives of the Company:

1. Mr. S.K.P Dalmia
2. Mr. Shishir Bajoria
3. Mr. Bibash Kanti Das
4. Mr. Rajesh Aggarwal

**B. NOMINATION & REMUNERATION COMMITTEE**

The Committee oversees key processes through which the Company recruits new members to its Board and also the processes through which the Company recruits, motivates and retain outstanding senior management and oversees the Company's overall approach to human resources management. As per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the company has constituted Nomination and Remuneration Committee.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Non-Executive and Non-Independent Director, Mrs. Renu Kejriwal is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Nomination and Remuneration Committee has also attended the last Annual General Meeting of the Company.

• **Meetings**

During the financial year 2020-21, Nomination and Remuneration Committee met 3 (three) times. The meetings were held on August 26, 2020, September 14, 2020 and November 12, 2020.

**The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:**

S. No	Name	Designation in Committee	Entitle to attend	Meeting Attended
1	Mrs. Renu Kejriwal	Chairman	3	3
2	Dr. Dhanpat Ram Agarwal	Member	3	2
3	Mr. Mahendra Kumar Agarwal	Member	3	1

The Nomination and Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policy, the Remuneration Committee determines the remuneration payable to the Directors. Apart from this, the detailed terms of reference of Nomination and Remuneration Committee are as follows:

• **Terms of Reference**

- a) The Nomination and Remuneration Committee shall be responsible to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- c) The Nomination and Remuneration Committee is responsible for Formulation of criteria for evaluation of Independent Directors and the Board.
- d) The Nomination and Remuneration Committee shall devise a policy on Board diversity.
- e) The Nomination and Remuneration Committee shall recommend/review remuneration of the Senior Management based on their performance and defined assessment criteria.
- f) The Nomination and Remuneration Committee shall see whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

• **Remuneration Policy**

Based on the recommendations of Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (KMP) and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The Company has formulated a remuneration policy with a focus on attracting talent and rewarding performance based on review of achievements. The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

The remuneration to be paid to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the Net Profits of the Company which are then approved by the Board of Directors of the Company and the Shareholders of the Company in their respective meetings. The remuneration paid to the Executive Directors was determined and based on the industry benchmark, performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their performance expertise in their individual capacity as individual Professionals/Business Executives. The appointment of the Executive Directors, if any is governed by the resolutions passed by the Board and shareholders. The service

agreement is entered into with them. There is no provision for payment of severance fee under the resolutions governing appointment of Executive Directors.

A notice period of three months is required to be given by the Executive Director seeking to vacate the office. The Company has no stock option plans and such option is not included in the remuneration package. During the year under review, none of the Directors was paid any bonus pension or performance bonus. Formal appointment letter is issued to the Independent Directors and the terms and conditions of the appointment of Independent Directors is available on the website of the Company. The Nomination & Remuneration Committee to recommend all remuneration payable to the Senior Management.

Pursuant to section 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and the Board of Directors of the Company formulated and approved the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP) & Senior Management and other Employees and pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 vide its meeting dated May 30, 2014. During the year, there have been no changes to the Policy. Hence, the same is not annexed to this report, but the same is available on our website [www.barakcement.com](http://www.barakcement.com)

(<http://barakcement.com/PDF/share%20holding%20info/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>)

• **Details of Remuneration**

The Directors in the Board were entitled to the following remuneration during the Financial Year 2020-21.

S. No	Name of Director	Managerial Remuneration (In Rs. p.a.)	Sitting Fees (In Rs. p.a.)	No. of Shares as on 31.03.2021
1.	Mr. Kamakhya Chamaria*	48,00,000	Nil	3,40,000
2.	Mr. Mahendra Kumar Agarwal	Nil	Nil	14,75,780
3.	Mr. Santosh Kumar Bajaj	Nil	Nil	18,84,500
4.	Dr. Dhanpat Ram Agarwal	Nil	Nil	Nil
5.	Mrs. Renu Kejriwal	Nil	Nil	150
6.	Mr. Shyam Agarwal	Nil	Nil	Nil
7.	Mr. Puran Chand	Nil	Nil	Nil

\* The Board of Directors in their meeting held on 14<sup>th</sup> September, 2020 on recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Kamakhya Chamaria as Managing Director of the Company not liable to retire by rotation for a further period of 3 Years w.e.f. 30<sup>th</sup> September, 2020 and the same was also approved by the members in their Annual General Meeting held on 30<sup>th</sup> December, 2020.

**Notes:**

- a) The Managerial Remuneration has been paid in accordance with Companies Act, 2013 and as per their respective agreements with the Company.
- b) The Non-Executive Directors are entitled only to the sitting fees which are within specified limits as per Companies Act, 2013 and none of the non-executive directors have no other pecuniary relationship with the Company.
- c) Company has not issued any convertible instruments during the year 2020-21.
- d) For more details about components of remuneration, please refer to the extract of the annual return in Form MGT-9 available on website of company at [www.barakcement.com](http://www.barakcement.com).

• **Performance Evaluation Criteria**

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Ø Leadership & stewardship abilities
- Ø Contributing to clearly define corporate objectives & plans
- Ø Communication of expectations & concerns clearly with subordinates
- Ø Obtain adequate, relevant & timely information from external sources
- Ø Review & approval achievement of strategic and operational plans, objectives, budgets
- Ø Regular monitoring of corporate results against projections
- Ø Identify, monitor & mitigate significant corporate risks
- Ø Assess policies, structures & procedures
- Ø Direct, monitor & evaluate KMPs, senior officials
- Ø Review management’s succession plan
- Ø Effective meetings

Ø Assuring appropriate board size, composition, independence, structure

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time. The Board had constituted the stakeholder's relationship committee on May 30, 2014, as per the requirements of section 178(5) of the Companies Act, 2013 and regulation 20 of the SEBI (LODR) Regulations.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Executive and Non-Independent Director. Mr. Shyam Agarwal is a Non-Executive Independent Director and Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. Mr. Shyam Agarwal, Chairman of the Stakeholders Relationship Committee has also attended the last Annual General Meeting of the Company.

#### • Meetings

The meeting of Stakeholder Relationship Committee was held on Friday, January 22, 2021 for the Financial Year 2020-21.

**The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:**

S. No	Name	Designation in Committee	Entitled to Attend	Meeting Attended
1	Mr. Shyam Agarwal	Chairman	1	1
2	Mr. Kamakhya Chamaria	Member	1	1
3.	Dr. Dhanpat Ram Agarwal	Member	1	1

Mrs. Manisha Mahana, Company Secretary & Compliance officer of the Company acts as the Secretary to the Committee till 11.11.2020.

Ms. Deepa, Company Secretary & Compliance officer of the Company acting as the Secretary to the Committee from 12.11.2020 till date.

The Committee's responsibility is to oversee Share Transfers and addressing to and Redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

#### • Details of Complaints

Pursuant to the requirement stipulated in the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the following are the details of complaints received & resolved during 2020-21:

Period	Complaints Received	Complaints Resolved	Pending Complaints
01.04.2020 - 31.03.2021	0	0	0

#### • Terms of Reference

The terms of reference of the Committee shall, inter alia, include:

- To monitor complaints received by your Company from its Shareholders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. and action taken by your Company for redressing the same;
- To approve allotment of shares or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialization etc. of shares, debentures and other securities;
- To approve and ratify the action taken by the authorised officers of your Company in compliance of the requests received from the shareholders / investors for issue of duplicate / replacement / consolidation / sub-division, dematerialization, rematerialization and other purposes for the shares, debentures and other securities of your Company;
- To monitor and expedite the status and process of dematerialization and rematerialization of shares, debentures and other securities of your Company;
- To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of your Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
- To review the measures taken to reduce the quantum of unclaimed dividend / interest and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of your Company;
- Resolving grievances of security holders including complaints related to transfers / transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new /duplicate certificates, general meetings etc.

- ix. Review measures taken for effective exercise of voting rights by shareholders.
- x. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- xi. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

**D. SHARE TRANSFER COMMITTEE**

To expedite the process of transferring the shares along with their registration, the Share Transfer Committee was set up by the Board of Directors on September 07, 2006. The Terms of reference of the committee includes approval of share transfer, issue of duplicate/rematerialized shares, transmission of shares, consolidation, splitting of share certificates.

• **Meetings**

No meeting of the Share Transfer Committee was held during the Financial Year ending 31<sup>st</sup> March, 2021.

**The composition of the Share Transfer Committee and the details of meetings attended by its members are given below:**

S. No	Name	Designation in Committee	Attendance
1	Mr. Santosh Kumar Bajaj	Chairman	0/0
2	Mrs. Manisha Mahana*	Member	0/0
3	Ms. Deepa**	Member	0/0

\* Appointed w.e.f August 26, 2020 and Resigned w.e.f November 11, 2020

\*\* Appointed w.e.f November 12, 2020

**E. GENERAL PURPOSE COMMITTEE**

The Board had constituted a General Purpose Committee on 30<sup>th</sup> January, 2010 to smoothly and swiftly carry out the day to day businesses and transactions of the Company.

The Committee is headed by Mr. Kamakhya Chamaria who is also the Vice-Chairman & Managing Director of the Company. The Committee consists of 3(Three) Directors out of which 1 (one) is Executive Directors and 2 (two) are Non-Executive Director.

• **Meetings**

During the Financial Year 2020-21 the General Purpose Committee met 7 (seven) times on July 30, 2020, September 28, 2020, October 05, 2020, October 12, 2020, October 15, 2020, October 26, 2020 and February 12, 2021.

**The composition of the General Purpose Committee and the details of meetings attended by its members are given below:**

S. No	Name	Designation in Committee	Meeting Attended	Entitled to attend
1	Mr. Kamakhya Chamaria	Chairman	7	7
2	Mr. Mahendra Kumar Agarwal	Member	7	6
3	Mr. Santosh Kumar Bajaj	Member	7	6

**III. SUBSIDIARIES**

Your Company has 7 (seven) wholly owned subsidiaries namely:

S. No	Name of the Subsidiary	Address		Main Business Activity	Date of Acquisition
		Registered Office	Works		
1	Cement International Limited (CIN:U26942ML2000PLC006173)	Village Lumshonong, District Jaintia Hills, Meghalaya-793002	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Manufacturing & Selling of Cement	31.03.2006
2	Badarpur Energy Private Limited (CIN:U40101AS2005PTC007654)	202, Royal View, B. K. Kakoti Road, Ulubari, Guwahati, Assam-781007	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Generation of Electricity*	31.03.2006
3	Meghalaya Minerals & Mines Limited (CIN:U14108ML2000PLC006057)	Village Lumshnong, District Jaintia Hills, Lumshnong, Khliariat, Meghalaya-793200	Village Lumshnong, Distt. Jaintia Hills, Meghalaya- 793200	Mining of Limestone	31.03.2006

4	Goombira Tea Company Limited (CIN:U01132AS1962PLC001188)	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea, Rubber & Biomass Plantation	01.10.2010
5	Singlacherra Tea Company Private Limited (CIN:U01132AS1962PTC001187)	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea, Rubber & Biomass Plantation	01.10.2010
6	Chargola Tea Company Private Limited (CIN:U01132AS1962PTC001185)	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea, Rubber & Biomass Plantation	01.10.2010
7	Valley Strong Cements (Assam) Limited (CIN:U26940AS2009PLC009197)	Debendra Nagar, Jhoombasti, PO Badarpurghat, Badarpur, Assam-788803	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Yet to commence commercial operations.	31.03.2011

\* Non operational since the Financial year 2017-18.

Ø The Audit Committee and the Board reviews the minutes, financial statements, significant transactions, investments made by the subsidiary companies, if any, and general working of the unlisted Subsidiary Companies.

#### IV. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board of Directors of the Company has adopted a Vigil Mechanism Policy. This mechanism provides a tool in the hands of Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy, leakage of unpublished price sensitive information etc., The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. <http://www.barakcement.com/index384c.html>.

#### V. GENERAL BODY MEETINGS

##### • **Annual General Meeting**

The details of the Annual General Meetings held in the last three years are as follows:

S. No.	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
1.	2019-20	30.12.2020	Wednesday, 01.00 P.M.	Debendra Nagar, Jhoombasti, PO Badarpurghat, Badarpur, Assam-788803	Provided below*
2.	2018-19	27.09.2019	Friday, 11.30 A.M.	202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007	Provided below**
3.	2017-18	28.09.2018	Friday, 12:30 P.M.	202, Royal View, B.K. Kakoti Road, Near DGP Office, Ulubari, Guwahati, Assam-781007	Provided below***

##### **\*Details of Special Resolution:**

**Item No. 4:-** Re-appointment of Mr. Kamakhya Chamaria (DIN: 00612581) as Vice Chairman and Managing Director of the Company designated as Key Managerial Personnel of the Company.

**Item No. 5:-** Approval of Disinvestment in Goombira Tea Company Limited, Wholly Owned Material Subsidiary.

##### **\*\* Details of Special Resolution**

**Item No. 7:-** Re-appointment of Dr. Dhanpat Ram Agarwal (DIN: 00322861) as an Independent Director of the Company.

**Item No. 8:-** Re-appointment of Mrs. Renu Kejriwal (DIN: 06768299) as an Independent Director of the Company.

**Item No. 9:-** Shifting of Registered office of the Company within the same state.

##### **\*\*\* Details of Special Resolution:**

**Item No. 5:-** Alteration of the Articles of Association of the Company.

##### • **Extra-ordinary General Meeting**

No Extra-Ordinary General Meeting was held during the Financial Year 2020-21.

- **Postal Ballot**

During the Financial Year 2020-21, no resolution has been passed through the exercise of postal ballot therefore the information regarding Voting Pattern and the person who conducted the postal ballot exercise are Not Applicable for the Company. The Special Resolution, if any, proposed to be conducted by Postal Ballot shall be in accordance with law.

**VI. DISCLOSURES**

- **Related Party Transactions**

Related party transactions entered by your Company during the year were on arm's length basis and in the ordinary course of business. No materially significant related party transactions took place between the Company and its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. All related party transactions have prior approval of the Audit Committee and are reviewed by the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website at the below mentioned Link:

<http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20RELATED%20PARTY%20TRANSACTION.pdf>

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Other Related party transactions as per requirements of Ind AS 24 are more fully mentioned in relevant Schedule of Notes on Account. However, all these transactions are on normal commercial arm's length basis. None of the transactions with any related parties are in prejudice to the interest of the Company.

Further senior management has no personal interest in material financial or commercial transactions which may have potential conflict with the interest of the Company.

The Directors of the Company are not related inter-se.

- **Disclosure of Accounting Treatment**

Your Company has followed all relevant Accounting Standards issued by ICAI in the preparations of financial statements. The significant accounting policies which are consistently applied have been set out in the Notes on Accounts. There is no material change in the Accounting Policies.

- **Risk Management**

The Company has established a procedure to enable Board Members to assess the prospective risk and to take proactive steps to mitigate the same. The established procedures are being evaluated from time to time to determine their relevance and reliability.

- **Proceeds from public issues, rights issues, preferential issues, etc.**

During the year, your Company did not raise any funds by way of public, rights, preferential issues, etc.

- **Management**

The Management Discussion and Analysis Report forms part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.

No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of your Company.

- **Policy on Material Subsidiary**

The Company's policy on "material subsidiary" is placed on the Company's website at;

<http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

- **Certificate from Company Secretary in Practice**

A Certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory Authority forms part of this Annual Report.

- **Non-Compliance/Penalties/Strictures Imposed**

There have been no instances of non-compliance by your Company on any matter related to capital markets during the year under review and hence no strictures /penalties have been imposed on your Company by the stock exchanges or the SEBI or any statutory authority.

- **Details of compliance with Mandatory Requirements:**

The Company is complying with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. However, Company has not adopted any of the non-mandatory requirements stipulated under the said enactment.

The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. <http://www.barakcement.com/index384c.html>.

- **Compliance Certification by CEO/CFO**

The requisite certification from the Chief Financial Officer and Chief Executive Officer for the Financial Year 2020-21 required to be given under Regulation 17(8) and 33 (2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 was placed before the Board of Directors of the Company at its meeting.

- **Report Corporate Governance**

Your Company complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

- **Compliance**

A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of this Annual Report.

- **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Your Company does not have material exposure of any commodity or Foreign exchange and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/000000141 dated 15th November, 2018.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

Your Company had not obtained any public funds during last three years.

- **Instances where the Board had not accepted any recommendation of any Committees of the Board:**

There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended March 31, 2021.

- **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Total fees for all services paid by your Company, on a consolidated basis to the Statutory Auditor is Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only). No fee has been paid by any of the subsidiaries to the said Auditors. Further, no fee was paid by any of the subsidiaries or by the Company to any entity in the network firm / network entity of which the statutory Auditor is a part.

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- number of complaints filed during the financial year: Nil
- number of complaints disposed of during the financial year: Nil
- number of complaints pending as on end of the financial year: Nil

**The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:**

- Non-Executive Chairman's Office: The Company does not have Non – Executive chairperson.
- Shareholders' Rights: As the quarterly, half yearly and annual results of the Company along with significant events, if any, are published in the newspapers and also posted on the Company's website, the same are not being sent individually to the shareholders.
- Modified Opinion in Audit Report: The Company's financial statement for the year ended 31st March, 2021 does not contain any modified audit opinion.
- Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

- **Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Account:**

In terms of the provisions of Section 124(5) of the Act, dividend which remains unpaid / unclaimed for a period of seven years from the date of declaration will be transferred to the IEPF. Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more from the date of declaration will also be transferred to an account viz. IEPF Suspend Account, which is operated by the IEPF Authority pursuant to the IEPF Rules.

The Company had issued individual notices to all shareholders who have not claimed dividend for the last seven consecutive years. Further, notices were also published in newspapers on 27th April, 2017 respectively. The Company has transferred 3,106 shares to the IEPF being the unclaimed/unpaid dividend for 2009-10. In compliance with the aforesaid Rules, the Company has already transferred equity shares pertaining to the financial year 2009-10 to the IEPF Suspend Account, after providing necessary intimations to the relevant shareholders.

- **Compliance with Corporate Governance requirements**

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.



**VII. CREDIT RATING**

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. During the financial year 2021-22, CARE Ratings Limited has revised the rating from CARE B; Stable (Single B; Outlook: Stable) to CARE BB; Stable (Double B Minus; Outlook: Stable) for the Long Term Bank Facilities of Rs. 41,00,00,000/- (Rupees Forty One Crore Only) of which Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) term loan is from NEDFi and Rs. 16,00,00,000/- (Rupees Sixteen Crore Only) term loan is from IDBI Bank Limited.

**IX. MANAGEMENT DISCUSSION AND ANALYSIS**

A Management Discussion and Analysis Report, forms a part of the Directors’ Report.

**X. MEANS OF COMMUNICATION**

**Quarterly results and other relevant information:**

The Company’s quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, are published in prominent English and Regional language newspapers usually in English Language Newspaper (‘The Pioneer’) and Regional Newspaper (‘Amar Asom’). The quarterly financial results are also posted on the website of the Company - [www.barakcement.com](http://www.barakcement.com). No presentations are made to the institutional investors or to the analysts.

The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting. The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company’s website: [www.barakcement.com](http://www.barakcement.com) and can be downloaded.

All periodical compliance filings like shareholding pattern, corporate governance report, investor presentations, media releases, among others are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE’s Listing Centre which are web-based applications designed by NSE and BSE respectively for corporates and are displayed on the Company’s website.

**Website:**

The Company’s website [www.barakcement.com](http://www.barakcement.com) contains a separate section ‘Investor’ for use of investors. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website.

The Company has also designated an email-id [cs@barakcement.com](mailto:cs@barakcement.com) for investor servicing.

**XI. GENERAL SHAREHOLDER INFORMATION**

**i Annual General Meeting**

Date: Wednesday, 29<sup>th</sup> September, 2021  
 Time: 02:00 P.M.  
 Venue: Debendranagar, Jhoombasti, P.O. Badarpurghat, Badarpurghat, Karimganj, Assam-788803

**ii Financial Year**

From: 1<sup>st</sup> April, 2020  
 To: 31<sup>st</sup> March, 2021

**iii Book Closure Date**

From: 23<sup>rd</sup> September, 2021  
 To: 29<sup>th</sup> September, 2021 (Both days inclusive)

**iv Dividend Payment Date**

No Dividend is proposed for the Financial Year 2020-21.

**v Listing of shares**

**Equity Shares Listed on Stock Exchanges :** The Equity Shares of the Company are listed on **National Stock Exchange (NSE)**

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai-400051  
 [scrip code: BVCL]

**Bombay Stock Exchange (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400023  
 [scrip code: 532916]

**vi Payment of Listing Fees:**

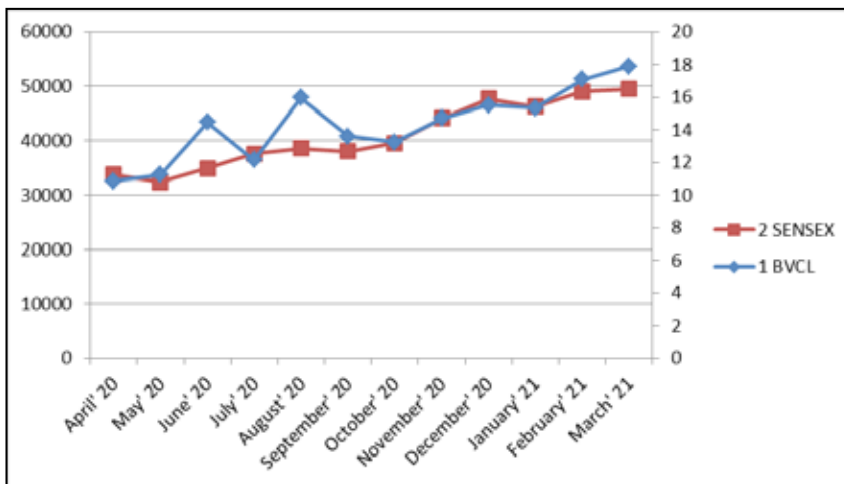
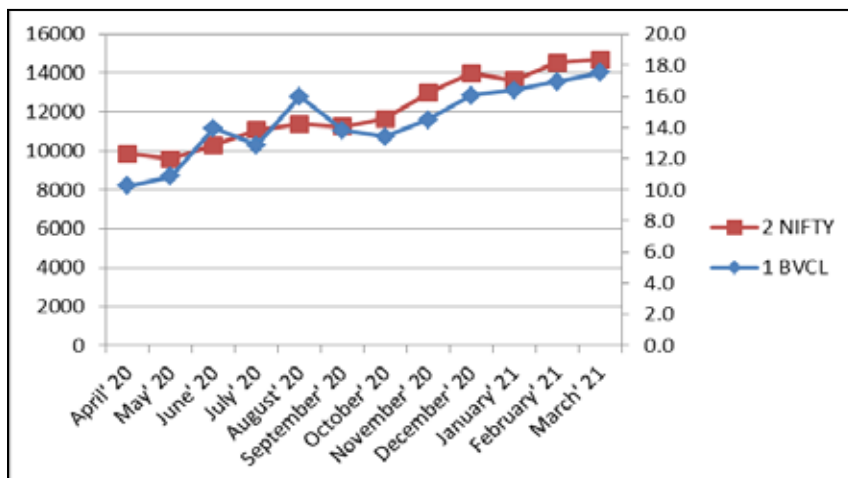
The payment of the Annual Listing Fees for the financial year 2021-22 had been paid by the Company to BSE and NSE on which the securities of the Company are listed.

**vii Payment of Depository Fees:**

Annual Custody/Issuer fee for the financial year 2021-22 has been paid by the Company to CDSL & NSDL.

**viii Market Price Data: High, Low (based on the closing prices) and volume of shares traded at BSE and NSE, for the Financial Year 2020-21 are as follows:**

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High(Rs)	Low(Rs)	Volume	High(Rs)	Low(Rs)	Volume
April'20	11.24	9.40	5,877	11.00	7.55	32,139
May'20	11.24	9.30	16,359	11.55	8.75	30,934
June'20	14.65	10.57	22,259	14.10	10.10	74,179
July'20	14.75	12.13	22,072	14.65	12.00	85,151
Aug'20	17.04	11.70	18,714	17.45	11.80	1,10,648
Sept'20	16.95	13.60	10,629	17.15	12.60	41,678
Oct'20	14.15	12.15	7,546	14.75	12.35	29,409
Nov'20	15.35	12.95	13,183	14.95	12.95	67,458
Dec'20	18.45	14.25	40,109	18.25	13.80	1,13,883
Jan'21	19.40	15.35	29,340	20.00	15.45	1,67,451
Feb'21	19.20	15.25	85,432	18.70	15.60	1,50,464
Mar'21	19.60	16.55	69,012	19.80	16.55	1,73,950

**ix. Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc:**
**Performance in comparison to BSE Sensex (Closing value of BVCL's share price v/s NSE Nifty)**

**Performance in comparison to NSE Nifty (Closing value of BVCL's share price v/s BSE Sensex)**


**x Registrar & Share Transfer Agents**

The details of the RTA is as follows:

MCS Share Transfer Agent Limited,  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020  
Phone: 011-41406149; Fax: 011-41709881  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

**xi Share Transfer System**

Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfer of Shares are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect. Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository Participants. Dematerialization is required to be done within a period of 15 days from the date of lodgment of dematerialization request, complete in all respect, with the Depository Participant of the Shareholder.

**xii Details of Unpaid Dividend as on 31.03.2021**

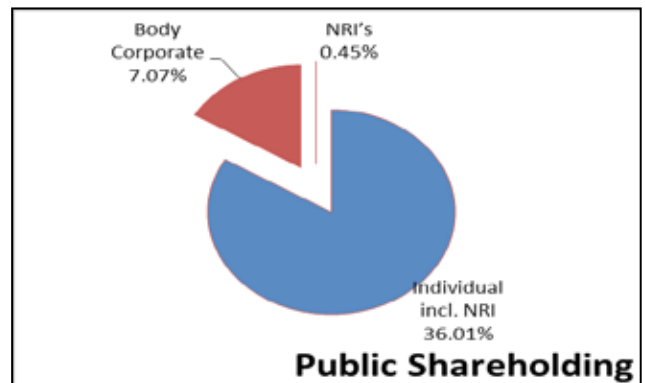
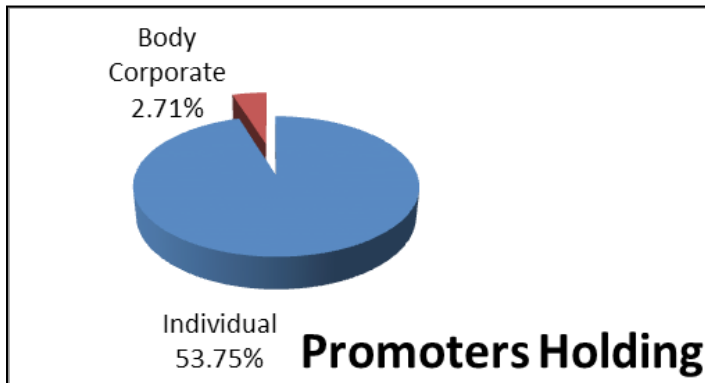
No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund as on March 31, 2021.

**xiii Distribution of Shareholding as on 31.03.2021**

Range	Shareholders			
	Number of Shareholders	% Holders	No. of Equity Shares of Rs. 10/- each	% Shares
1-500	4888	80.4874	754638	3.4054
501-1000	493	8.1179	429007	1.9360
1001-2000	296	4.8740	468378	2.1136
2001-3000	114	1.8772	294516	1.3290
3001-4000	47	0.7739	167772	0.7571
4001-5000	46	0.7575	220246	0.9939
5001-10000	60	0.9880	461114	2.0808
10001-50000	64	1.0538	1373194	6.1967
50001-100000	21	0.3458	1456177	6.5712
And Above	44	0.7245	16534958	74.6162
<b>Total</b>	<b>6073</b>	<b>100.0000</b>	<b>22160000</b>	<b>100.0000</b>

**Shareholding Pattern as on 31.03.2021**

Category	No. of Shares	% of Holding
<b>Promoter</b>		
Individual	1,19,11,136	53.75%
Body Corporate	6,00,000	2.71%
<b>Sub Total (A):</b>	<b>1,25,11,136</b>	<b>56.46%</b>
<b>Public:</b>		
Individual	79,79,611	36.01%
Body Corporate	15,66,430	7.07%
Financial Institutions/Bank	Nil	---
NRI's, Foreign Nationals, FII's	99,717	0.45%
Govt.	Nil	---
Others (IEPF)	3,106	0.01%
<b>Sub Total (B):</b>	<b>96,48,864</b>	<b>43.54%</b>
<b>Total (A+B):</b>	<b>2,21,60,000</b>	<b>100%</b>


**xiv Dematerialization of Shares and liquidity as on 31.03.2021**

Particulars	No. of Shares	Percentage
<i>Dematerialization</i>		
NSDL	1,61,44,691	72.86
CDSL	53,43,303	24.11
<b>Sub Total</b>	<b>2,14,87,994</b>	<b>96.97</b>
<i>Physical</i>	<b>6,72,006</b>	<b>3.03</b>
<b>Total</b>	<b>2,21,60,000</b>	<b>100</b>

**xv Outstanding GDRs/ADRs/Warrants or any convertible Instruments**

There are no outstanding GDRs/ADRs/Warrants or any other convertible instruments of the Company.

**xvi Proposed date for approval of financial results**

Quarter Ending 30 <sup>th</sup> June, 2021	On or before 14 <sup>th</sup> August, 2021
Quarter Ending 30 <sup>th</sup> September, 2021	On or before 14 <sup>th</sup> November, 2021
Quarter Ending 31 <sup>st</sup> December, 2021	On or before 14 <sup>th</sup> February, 2022
Quarter Ending 31 <sup>st</sup> March, 2022	On or before 30 <sup>th</sup> May, 2022

**xvii ISIN Allotted to the Company by the Depositories:**

The Company has signed Depository agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is **INE139101011**.

**xviii Corporate Identity Number**

Corporate Identification Number (CIN): **L01403AS1999PLC005741**.

**xix Financial Calendar (for the year 2020-21)**

The Company follows Financial Year starting from the 1<sup>st</sup> day of April of the Financial Year and ending on the 31<sup>st</sup> day of March of the following year.

**xx Reconciliation of Share Capital Audit**

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

**xxi Plant Locations**

Debendra Nagar, Jhoombasti, P.O. Badarpurghat,  
Distt. Karimganj, Assam-788803

Phone: 03843-269435/881  
 Fax: 03843-268965

This Corporate Governance Report of the Company for the financial year ended 31<sup>st</sup> March 2021 is in compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**xxii Address for Correspondence**

- a) *Registered Office:* Debendranagar, Jhoombasti, P.O. Badarpurghat, Dist. Karimganj, Assam-788803  
 Ph: 03843-269435/881; Fax: 03843-268965  
 E-mail: [cs@barakcement.com](mailto:cs@barakcement.com)
- b) *Corporate Office:* 281, Deepali, Pitampura, Delhi-110034  
 Ph: 011-49805200/300; Fax: 011-27033824/30  
 E-mail: [delhi@barakcement.com](mailto:delhi@barakcement.com)
- c) *Branch Office:* CF-361, Salt Lake City, Sector-1, Kolkata-700064  
 Ph: 033-40046161/62; Fax: 033-40046164  
 E-mail: [bvcl.kol64@gmail.com](mailto:bvcl.kol64@gmail.com)
- d) *Compliance Officer:* Ms. Deepa (appointed w.e.f. 12.11.2020)  
 (Company Secretary)  
 Ph: 011-49805200/300; Fax: 011-27033824/30  
 E-mail: [cs@barakcement.com](mailto:cs@barakcement.com)

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

**Kamakhya Chamaria**  
**(Vice Chairman & Managing Director)**  
**DIN : 00612581**  
**Add: 48/72, West Punjabi Bagh**  
**New Delhi-110026**

**Santosh Kumar Bajaj**  
**(Director)**  
**DIN: 00045759**  
**Add: Bajaj Engineering Co**  
**Compound**  
**F A Road, Kumarpara**  
**Guwahati, Assam- 781009**

**Place: New Delhi**  
**Date: 13.08.2021**

**DECLARATION**

I, Mukesh Kumar Shovasaria, Chief Executive Officer of the Company do hereby declare that during the Financial Year ended March 31, 2021, all the board members and senior management personnel have affirmed compliance with the code of conduct of the Company as provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **BARAK VALLEY CEMENTS LIMITED**

**(Mukesh Kumar Shovasaria)**  
**Chief Executive Officer**

**Place: New Delhi**  
**Date: 29.06.2021**

## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
**Barak Valley Cements Limited**  
**Sub: Certificate under Regulation 17(8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;**

We the undersigned certify to the board that:

1. We have reviewed the financial statement, read with the cash flow statement of Barak Valley Cements Limited ("the Company") for the year ended 31st March, 2021 and to best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in the Company's internal control over financial reporting during the year.
  - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - c. instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

For **BARAK VALLEY CEMENTS LIMITED**

**Rajesh Aggarwal**  
(Chief Financial Officer)

**Mukesh Kumar Shovasaria**  
(Chief Executive Officer)

**Place: New Delhi**  
**Date : 29.06.2021**

**CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF BARAK VALLEY CEMENTS LIMITED HAVE BEEN DEBARRED OR DISQUALIFIED**

***Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)***

**To**

**The Members**

**Barak Valley Cements Limited**

This certificate is being issued pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) to Barak Valley Cements Limited (hereinafter called “the Company” having its Registered office at Debendranagar, Jhoombasti, P.O. Badarpurghat, Dist. Karimganj, Assam-788803.

For the purposes of issuance of this certificate, we have examined the relevant books, papers, forms and returns filed, notices received from the Directors of the Company for the financial year 2020-21; other records maintained by the Company and also the information provided by its Officers and authorised representatives.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, we hereby certify that none of the Directors of the Company stated below, and who were on the Board of Directors of the Company as on 31st March, 2021, are debarred or disqualified from being appointed or continue to act as Directors of the Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, Government of India or any other statutory authority(ies) :

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment in the Company</b>
1	Mr. Mahendra Kumar Agarwal	00044343	30/11/1999
2	Mr. Santosh Kumar Bajaj	00045759	13/03/2006
3	Mr. Puran Chand	08468978	29/05/2019
4	Dr. Dhanpat Ram Agarwal	00322861	13/03/2006
5	Mr. Kamakhya Chamaria	00612581	30/09/2009
6	Mrs. Renu Kejriwal	06768299	20/12/2013
7	Mr. Shyam Agarwal	08294059	14/11/2018

**Dated: 13.08.2021**

**Place: Delhi**

**For Shailendra Roy & Associates  
Company Secretaries**

**Shailendra Kumar Roy  
Company Secretary in Practice  
CP no. 11738  
M.no. 25823**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

*(In pursuant to Part E of Schedule V of the SEBI [Listing Obligation & Disclosure Requirements] Regulations, 2015)*

To

**The Members of Barak Valley Cements Limited**

We have examined the compliance of the conditions of Corporate Governance by Barak Valley Cements Limited ('the Company') for the financial year ended March 31, 2021, as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.K. Lakhani & Co.  
Chartered Accountants  
(Firm Registration no. 014682N)**

**CA Sandeep Gulati  
Partner  
Membership No. 509230**

**Place: Gurgaon  
Date: 13.08.2021**



## Independent Auditors' Report

**To the Members of**

**Barak Valley Cements Limited,**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Barak Valley Cements Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and the financial performance and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to Note No. 49 to the Standalone Financial Statements, which describes the economic and social consequences/ disruption the entity is facing as a result of COVID-19 and its impact on financial position/ ability of the company to face the challenge/ impact on supply chain and demand/ impact on the standalone financial statements requiring adjustments.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. no.	Key Audit Matters	Auditor's Responses
1.	In respect of parties' balances, confirmations were sought at year end. Some parties have sent the confirmations. In respect of other parties, management realises that due to COVID -19 lockdown, many offices were being closed and others working with skeleton staff, confirmations are not coming. It is also explained that company has the system of reconciling balances with the parties from time to time and most of the parties are having regular business transactions with the company.	In the absence of external confirmations, we carried out alternative procedures to verify the balances of parties :  (a) We tested the effectiveness of controls over sales and purchase transactions with the parties and accounting of the same in books of accounts.  (b) Transactions of Sales / purchase were verified through external bills and invoices. The payments were cross verified from the bank statements of the company. In view of the high magnitude of such transactions, we followed SA -530 "Audit Sampling" in this regard.
2.	Revenue Recognition: (Refer Note No. 26 to the Standalone financial statements and Note no. 2.15 of the Significant Accounting policies)  Revenue is recognised when the control of the underlying products has been transferred to the customers along with the satisfaction of the company's performance obligation under a contract with the customer.	Our audit procedure to assess the appropriateness of revenue recognition included :  a) Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key control system regarding the revenue recognition process and its compliance with the Ind AS -115 'Revenue from contract with the customers'.

<p>Due to the company's presence among various regions in north eastern states and the competitive business environment, the estimation of various type of rebates, discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgemental. The risk is therefore, that revenue is not recognised in accordance with Ind AS -115 'Revenue from contracts with customers'.</p>	<p>b) Assessing the appropriateness of the company's accounting policies relating to discounts , rebates etc.</p> <p>c) Performed sample tests of individual sale transactions and going through sales invoice, sales order and other related documents for discounts, rebates and other incentive schemes.</p> <p>d) Assessed the adequacy of relevant disclosures made within the financial statements.</p> <p>Our testing as described above showed that revenue has been properly recorded in accordance with the terms of contract and according to the policy adopted by the company.</p>
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#### **Information other than the standalone financial statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's information, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the Other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate implementation and maintenance of 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.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materially and quantitative factors in (1) planning the scope of our audit work and in evaluating the results of our audit work: and (2) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### **Other Matters**

Due to COVID 19 pandemic and the consequential lockdown/ restriction on movements announced by the Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. We have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Statement.

Our opinion is not modified in respect of this matter.

#### **Report on other Legal & Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts 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 including other comprehensive income, Statement of changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act :
- In our opinion and according to the information and explanations given to us, the company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 of the Act.
- h) 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 and to the best of our information and according to the explanation given to us.
- (i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
Firm Registration No.: 014682-N

**(CA. Sandeep Gulati)**  
**Partner**  
**M. No. : 509230**  
UDIN : 21509230AAAAHS3830

Place: Gurgaon  
Date: 29th June, 2021

## Annexure "A" to Independent Auditors' Report

### **The Annexure referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report for the year ended 31<sup>st</sup> March' 2021:**

- In respect of the Company's Fixed Assets:
  - The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets of the Company are physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- The inventories, except goods in transit and material lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management of the company. In our opinion, having regard to nature and location of inventory, the frequency of verification is reasonable and no material discrepancies were noticed on such verifications.
- In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. So, the provisions of paragraph 3(iii) of the said Order are not applicable to the company.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loan and investments made, except loans/ advances to the wholly owned subsidiaries on which no interest has been charged as they have already incurred heavy losses.
- The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable to the company.
- Pursuant to the rules made by the Central Government, the Company is required to maintain Cost Records as specified under Sec. 148(1) of the Act. We have broadly reviewed the same, and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues:

- (a) The company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, Goods and Service tax, Custom duty, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amount payable in respect of aforesaid dues which were outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, the particulars of disputed taxes and duties as at March 31,2021 which have not been deposited with the appropriate authorities, are as under:

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Assam Entry Tax Act, 2008	Entry – Tax demand	90.79	2005 -06 to 2008 -09	Appellate Authority, Guwahati.
Income - Tax Act, 1961	Income Tax demand	187.58	Assessment year 2017-18	CIT(Appeals), Kolkata.
Central Excise Act, 1944.	Education Cess and Secondary and Higher Education Cess	166.23	FY 2004-05 to FY 2014-15	Guwahati High Court
Central Excise Act, 1944.	Refund of Excise duty	258.84	FY 2008-09 to FY 2014-15	Guwahati High Court

- 8. Based on our audit procedures and as per the information and explanation given to us by the management, the company has not defaulted in repayment of loans or borrowings from financial institutions, government or bank or debenture holders.
- 9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given by the management, monies raised by way of term loans were applied for the purpose for which they were raised.
- 10. According to the information and explanations given to us, and based upon the audit procedures performed during the year, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year .
- 11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- 13. 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 Companies Act, 2013 where applicable and details of such transactions have been adequately disclosed in the financial statements, as required by the applicable Indian accounting standards.
- 14. The Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year and hence reporting under Clause 3 (xiv) of the Order is not applicable to the company.
- 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them as referred to in section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the company.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
 Firm Registration No.: 014682-N

**(CA. Sandeep Gulati)**  
**Partner**  
**M. No. : 509230**  
 UDIN : 21509230AAAAHS3830

Place: Gurgaon  
 Date: 29th June, 2021

## Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Barak Valley Cements Limited** ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### ***Management's Responsibility for Internal Financial Controls***

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

### ***Auditors' Responsibility***

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

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

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

### ***Meaning of Internal Financial Controls over Financial Reporting***

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

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

### ***Inherent Limitations of Internal Financial Controls over Financial Reporting***

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

**Opinion**

In our opinion, the company has, in all material respects, read with impact of COVID- 19 stated in Emphasis of Matter paragraph in independent Auditor's Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
*Firm Registration No.: 014682-N*

**(CA. Sandeep Gulati)**  
**Partner**  
**M. No. : 509230**  
UDIN : 21509230AAAAHS3830

Place: Gurgaon  
Date: 29th June, 2021

**1. CORPORATE INFORMATION**

Barak Valley Cements Limited (the company) is a public limited company domiciled in India and incorporated on 28<sup>th</sup> April' 1999 as per the provisions of the Companies Act, 1956. The company is engaged in the manufacturing and selling of various brands of Cement in north eastern states. The manufacturing unit of the company is located at Badarpurghat, Distt. Karimganj, Assam.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation:**

**(i) Compliance with Ind AS**

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

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

**(ii) Historical Cost Convention**

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

- § defined benefit plans – plan assets measured at fair value.
- § Certain financial assets & Liabilities that are measured at fair value.

**(iii) Rounding of amounts**

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

**2.2 Current and non-current classification**

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

**2.3 Use of Estimates :**

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgments are continuously evaluated and are based on the historical experience and other factors, expectations of future events that are believed to be reasonable under current circumstances.

**2.4 Property, plant and equipment:**

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, if any) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditure are included in the asset's carrying amount or recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

**2.5 Capital Work In Progress :**

Property, plant and equipment not ready for their intended use as at the close of the year are classified as 'Capital work in progress' and carried at cost and includes any directly attributable cost incurred during construction period. Such items are classified to the appropriate category of property, plant and equipment after their completion and ready for their intended use.

**2.6 Expenditure during construction period:**

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



**2.7 Depreciation:**

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

**2.8 Intangible Assets :**

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

**2.9 Investments and other financial assets :**

**Classification**

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

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

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

**Measurement**

All the financial assets are recognized at fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

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

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

**Equity instruments**

The company subsequently measures all equity investments (except subsidiary, associate and joint venture, which are carried at cost) at fair value through other comprehensive income.

**Impairment of financial assets**

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

**Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

## **2.10 Financial liabilities:**

### **Initial recognition and measurement**

The company recognises all the financial liabilities on initial recognition at fair value minus transaction costs that are directly attributable to the acquisition or issue of financial liability.

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

### **Subsequent measurement**

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

### **De-recognition of financial liabilities**

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

## **2.11 Borrowings :**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Difference between the proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to any other party and the consideration paid, is recognized in profit or loss as finance cost or other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for 12 months after the reporting period.

## **2.12 Investment in Subsidiaries :**

The Company's investment in its subsidiary, associate and joint venture are carried at cost less accumulated impairment loss if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

## **2.13 Inventories:**

Raw Materials, stores and spares, fuel and packing material are valued at lower of cost and net realizable value. Cost is determined on weighted average basis and includes purchase price, other cost incurred in bringing the inventories to their present location and condition and taxes for which credit is not available. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Inventories is computed on weighted average basis.

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

## **2.14 Trade receivables and payables:**

Trade receivables are recognized initially at transaction price. Later on any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be accounted for as an expense. Subsequently receivables are measured at amortized cost using the effective interest method, less provision for impairment if any. The company follows the simplified approach as per Ind AS 109- Financial Instruments for recognition of impairment loss allowance.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Payables are also recognized at fair value and subsequently at amortized cost using the effective interest method.

## **2.15 Revenue Recognition:**

The company recognizes Revenue from sale of goods when the control of the products has been transferred. The sales are accounted when the products are dispatched to the customers. Delivery occurs when the products has been dispatched to the specified location and the risk of the loss etc. has been transferred and there is no unfulfilled obligation that could affect buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of consideration due to sale of goods.

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

Revenue is exclusive of goods and service tax and net of quantity discounts, cash discounts, rebates and sales returns. A receivable is recognised when the goods are dispatched to the customers in the normal course of business.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

**2.16 Impairment of non – financial assets:**

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

**2.17 Employee Benefits:**

(i) Short-term obligations

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

(ii) Defined Contribution Plan

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

(iii) Defined Benefit Plan

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

(iv) Other Long-term benefits

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

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

**2.18 Government Grants and Subsidies :**

Government grants and subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expenses.

**2.19 Tax Expenses:**

Tax expenses represents the sum of current tax and deferred tax :

**(a) Current Income - Tax :**

Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. Current income -tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided /paid as and when assessments are completed. Current tax related to OCI item are recognised in Other Comprehensive Income (OCI).

**Minimum Alternate Tax (MAT) :** Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specific period i.e., the period for which MAT credit is allowed to be carried forward. Such assets is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specific period.

**(b) Deferred Tax :**

Deferred income tax assets and liabilities are recognised for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

**2.20 Research and Development Expenditure :**

Revenue expenditure on Research and Development is charged to the statement of profit and loss as an expense when it is incurred. Capital expenditure including development cost are capitalised and added to the cost of property, plant and equipment in the year in which they are incurred.

**2.21 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**2.22 Provisions and Contingencies:**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expenses. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

**2.23 Cash and Cash Equivalents :**

Cash and cash equivalents in the Balance Sheet comprise cash in hand, cash at bank and demand deposits with banks and other short term highly liquid investments /deposits with an original maturity period of three months or less and are subject to insignificant risk of change in value.

**2.24 Earnings Per Share :**

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

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

**2.25 Lease :****As a Lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease

incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**As a Lessor:**

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivable at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight line basis over the lease term, unless the receipt from lessee is structured to increase in line with general inflation and compensate for the lessor's expected cost increase.

**2.26 Offsetting financial instruments :**

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

**2.27 Segment reporting:**

Based on the management approach as defined in Ind AS-108, the Chief operating decision maker, evaluate the performance of the company and allocate resources based on performance indicators by business segments and geographic segment.

**2.28 Dividends:**

Dividends paid / payable shall be recognised in the year in which the related dividends are approved by Shareholders or the Board of Directors as appropriate. The amount is recognised directly in equity.

**Standalone Balance sheet as at 31st March' 2021**
**(Rs. In Lacs)**

S. No.	Particulars	Notes	31-Mar-21	31-Mar-20
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
(a)	Property, plant and equipment	3	9,836.06	10,330.66
(b)	Capital work-in-progress		2,320.94	1,475.23
(c)	Intangible assets	3 (a)	0.36	13.91
(d)	Investment in Subsidiaries	4	3,805.01	3,805.01
(e)	Financial assets			
(i)	Investments	4	11.76	10.94
(ii)	Other financial assets	5	336.46	223.60
(f)	Deferred tax assets (net)	6	230.72	303.13
(g)	Other non-current assets	7	335.19	358.60
	<b>Total non-current assets</b>		<b>16,876.50</b>	<b>16,521.08</b>
(2)	<b>Current assets</b>			
(a)	Inventories	8	1,558.58	1,213.98
(b)	Financial assets			
(i)	Trade receivables	9	1,449.28	1,317.55
(ii)	Cash and cash equivalents	10	31.82	102.59
(iii)	Other Bank balances (other than (ii) above)	11	36.78	110.08
(iv)	Loans	12	571.59	214.47
(v)	Other financial assets	13	14.39	13.19
(c)	Other current assets	14	2,631.85	2,515.77
	<b>Total current assets</b>		<b>6,294.28</b>	<b>5,487.63</b>
	<b>Total assets</b>		<b>23,170.79</b>	<b>22,008.71</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
(a)	Equity share capital	15	2,216.00	2,216.00
(b)	Other equity	16	6,977.39	6,654.32
	<b>Total equity</b>		<b>9,193.39</b>	<b>8,870.32</b>
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	17	6,359.08	5,223.77
(ii)	Other financial liabilities	18	479.13	492.94
(b)	Employee benefit obligations	19	132.25	109.69
(c)	Other non current liabilities	20	694.98	111.80
	<b>Total non-current liabilities</b>		<b>7,665.44</b>	<b>5,938.20</b>
(2)	<b>Current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	21	2,424.65	2,498.55
(ii)	Trade payables		1,578.64	2,513.69
(iii)	Other financial liabilities	22	899.55	589.40
(b)	Employee benefit obligation	23	29.77	28.05
(c)	Other current liabilities	24	1,354.80	1,542.25
(d)	Current tax liabilities (net)	25	24.55	28.26
	<b>Total current liabilities</b>		<b>6,311.96</b>	<b>7,200.20</b>
	<b>Total liabilities</b>		<b>13,977.40</b>	<b>13,138.40</b>
	<b>Total equity and liabilities</b>		<b>23,170.79</b>	<b>22,008.71</b>

**Significant accounting policies and notes on accounts**

1 &amp; 2

The accompanying notes 1-51 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**For & on behalf of the Board of Directors**
**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**(CA. Sandeep Gulati)**  
 Partner  
 M.No. 509230  
**Gurgaon, 29th June, 2021**
**(Rajesh Aggarwal)**  
 Chief Financial Officer

**(Santosh Kumar Bajaj)**  
 Director

**(Ms. Deepa)**  
 Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	(Rs. In Lacs)	
		31-Mar-21	31-Mar-20
<b>INCOME</b>			
Revenue from operations	26	13,281.96	15,496.98
Other income	27	112.02	136.15
<b>Total revenue</b>		<b>13,393.98</b>	<b>15,633.13</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	4,269.00	4,190.14
(Increase)/decrease in inventories	29	(123.40)	(85.27)
Employee benefit expenses	30	1,350.08	1,327.08
Finance costs	31	805.47	772.19
Depreciation and amortization expenses	32	525.48	549.16
Other expenses	33	6,097.02	8,442.05
<b>Total expenses</b>		<b>12,923.65</b>	<b>15,195.34</b>
<b>Profit before tax</b>		<b>470.33</b>	<b>437.79</b>
<b>Tax expenses</b>	34		
- Current tax		82.08	72.59
- Deferred tax		70.40	(57.11)
<b>Total tax expenses</b>		<b>152.47</b>	<b>15.48</b>
<b>Profit for the year</b>		<b>317.86</b>	<b>422.31</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
impact of remeasurement of non - current investment		0.81	0.98
Re-measurement (losses) on Defined Benefit Plan		6.41	(19.36)
Deferred tax on above		2.01	(5.11)
<b>Other comprehensive income for the year, net of tax</b>		<b>5.21</b>	<b>(13.27)</b>
<b>Total comprehensive income for the year</b>		<b>323.07</b>	<b>409.04</b>
<b>Earnings per equity share (Face value of Rs. 10/- each)</b>	35		
Basic earning per share		1.43	1.91
Diluted earning per share		1.43	1.91

Significant accounting policies and notes on accounts

1 & 2

The accompanying notes 1-51 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**(CA. Sandeep Gulati)**  
Partner  
M.No. 509230  
Gurgaon, 29th June, 2021

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Rajesh Aggarwal)**  
Chief Financial Officer

**(Ms. Deepa)**  
Company Secretary

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

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**(Santosh Kumar Bajaj)**  
Director

**Standalone Cash Flow Statement for the year ended 31st March' 2021**
**(Rs. In Lacs)**

<b>S.no.</b>	<b>Particulars</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before Tax and exceptional items	470.33	437.79
	Adjustment for:		
	Add : Depreciation and amortisation	525.48	549.16
	Interest & finance charges	805.47	772.19
	Operating Profit before working capital changes	1,801.27	1,759.14
	<u>Adjustment for change in :</u>		
	Trade Receivable	(131.73)	(178.27)
	Inventories	(344.60)	260.80
	Loans	(357.12)	45.72
	Other Assets	(133.43)	(700.59)
	Trade & other payable	(1,008.95)	(427.66)
	Other Liabilities and Provisions	143.27	36.52
	<b>Cash generated from Operations</b>	<b>(31.29)</b>	<b>795.66</b>
	Direct Taxes Paid	(82.08)	(72.59)
	Prior period adjustments / Exceptional Items	7.22	(18.38)
	<b>Net Cash Flow from operating activities</b>	<b>(106.14)</b>	<b>704.69</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	(Purchase)/ Sales of Property, plant and equipment	(863.04)	(1,576.87)
	(Purchase)/ Sales of Investments	(0.81)	(164.30)
		<b>(863.85)</b>	<b>(1,741.17)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Increase in Long term Bank & Other borrowings	1,704.69	1,479.87
	Interest and finance charges paid	(805.47)	(772.19)
		<b>899.22</b>	<b>707.67</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(70.77)</b>	<b>(328.81)</b>
	Add:- Opening Balance of cash & Cash Equivalents	102.59	431.40
	<b>Cash &amp; Cash Equivalents at the Closing of the year</b>	<b>31.82</b>	<b>102.59</b>

Note : Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**For & on behalf of the Board of Directors**  
**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**(CA. Sandeep Gulati)**  
 Partner  
 M.No. 509230  
**Gurgaon, 29th June, 2021**
**(Rajesh Aggarwal)**  
 Chief Financial Officer

**(Santosh Kumar Bajaj)**  
 Director

**(Ms. Deepa)**  
 Company Secretary



Standalone Statement of Changes in Equity for the year ended 31st March, 2021

**A. Equity Share Capital**

(Rs. In Lacs)

Particulars	Amount
<b>As at 01st April, 2019</b>	<b>2,216.00</b>
Changes in equity share capital	-
<b>As at 31st March, 2020</b>	<b>2,216.00</b>
Changes in equity share capital	-
<b>As at 31st March, 2021</b>	<b>2,216.00</b>

**B. Other Equity**

Particulars	Reserve and Surplus			Total Other equity
	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01st April, 2019	1,514.40	397.29	4,333.59	6,245.27
Profit for the year	-	-	422.31	422.31
Other comprehensive income/ (Loss) net of tax	-	-	(13.27)	(13.27)
Impact of deferred tax/ others	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>1,514.40</b>	<b>397.29</b>	<b>4,742.63</b>	<b>6,654.32</b>

Particulars	Reserve and Surplus			Total Other equity
	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01st April, 2020	1,514.40	397.29	4,742.63	6,654.32
Profit for the year	-	-	317.86	317.86
Other comprehensive income/ (Loss) net of tax	-	-	5.21	5.21
<b>Balance as at 31st March, 2021</b>	<b>1,514.40</b>	<b>397.29</b>	<b>5,065.70</b>	<b>6,977.39</b>

The accompanying notes 1-51 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**(CA. Sandeep Gulati)**  
Partner  
M.No. 509230  
**Gurgaon, 29th June, 2021**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Rajesh Aggarwal)**  
Chief Financial Officer

**(Ms. Deepa)**  
Company Secretary

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

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**(Santosh Kumar Bajaj)**  
Director

**Notes to financial statements for the year ended 31st March' 2021**

**Note : 3 Property, Plant and Equipment** (Rs. In Lacs)

Particulars	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
<b>At 1st April, 2020 (Original Cost)</b>	5,665.60	762.93	69.61	5,631.74	24.60	140.78	24.58	11.79	12,331.62
Addition	0.93	-	-	1.46	4.25	7.68	2.21	1.24	17.78
Disposals	-	-	-	-	-	1.07	-	-	1.07
<b>At 31st March, 2021</b>	<b>5,666.52</b>	<b>762.93</b>	<b>69.61</b>	<b>5,633.20</b>	<b>28.86</b>	<b>147.39</b>	<b>26.79</b>	<b>13.03</b>	<b>12,348.33</b>
<b>Accumulated Depreciation</b>									
<b>At 1st April, 2020</b>	-	221.29	22.19	1,647.11	10.44	77.78	15.33	6.82	<b>2,000.96</b>
charge for the year	-	50.79	4.60	429.67	3.42	18.30	2.84	2.30	511.93
Disposals/deductions/adjustment	-	-	-	-	-	0.62	-	-	0.62
<b>At 31st March, 2021</b>	-	<b>272.08</b>	<b>26.79</b>	<b>2,076.78</b>	<b>13.85</b>	<b>95.46</b>	<b>18.18</b>	<b>9.12</b>	<b>2,512.27</b>
<b>Net Carrying Value</b>									
<b>At 31st March, 2020</b>	<b>5,665.60</b>	<b>541.63</b>	<b>47.42</b>	<b>3,984.63</b>	<b>14.17</b>	<b>63.00</b>	<b>9.25</b>	<b>4.96</b>	<b>10,330.66</b>
<b>At 31st March, 2021</b>	<b>5,666.52</b>	<b>490.84</b>	<b>42.81</b>	<b>3,556.42</b>	<b>15.00</b>	<b>51.93</b>	<b>8.62</b>	<b>3.91</b>	<b>9,836.06</b>

**Note : 3 (a) Intangible Assets**

Particulars	Intangible Assets
<b>At 1st April, 2020 (Original Cost)</b>	70.28
Additions/ (Disposals)	-
<b>At 31st March, 2021</b>	<b>70.28</b>
<b>Accumulated Depreciation</b>	
<b>At 1st April, 2020</b>	56.38
charge for the year	13.55
Disposals/deductions/adjustment	-
<b>At 31st March, 2021</b>	<b>69.92</b>
<b>Net Carrying Value</b>	
<b>At 31st March, 2020</b>	<b>13.91</b>
<b>At 31st March, 2021</b>	<b>0.36</b>

(Rs. In Lacs)

<b>Note: 4 - Investments</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>(A) Investment in Subsidiaries / others - Unquoted</b>		
Investment in Unquoted Equity Instruments in Subsidiaries :		
<b>Badarpur Energy Private Limited</b> 49,63,340 ( 49,63,340 as at 31.03.20) Equity Shares of Rs 10/- each fully paid up.	-	-
<b>Cement International Limited</b> 9,92,700 (9,92,700 as at 31.03.2020) Equity Shares of Rs 10/- each fully paid up.	456.07	456.07
<b>Meghalaya Minerals &amp; Mines Limited</b> 14,90,000 (14,90,000 as at 31.03.20) Equity Share of Rs 10/- each fully paid up.	405.92	405.92
<b>Goombira Tea Company Ltd.</b> 66,65,669 (66,65,669 as at 31.03.20) Equity Share of Rs 1/- each fully paid up.	2,015.07	2,015.07
<b>Chargolla Tea Company Pvt. Ltd.</b> 7,42,000 (7,42,000 as at 31.03.20) Equity Share of Rs 1/- each fully paid up.	161.41	161.41
<b>Singlacherra Tea Company Pvt. Ltd.</b> 8,75,400 (8,75,400 as at 31.03.20) Equity Share of Rs 1/- each fully paid up.	378.64	378.64
<b>Valley Strong Cements (Assam) Ltd.</b> 4,74,250 (4,74,250 as at 31.03.20) Equity Share of Rs 10/- each fully paid up.	387.90	387.90
<b>Total</b>	<b>3,805.01</b>	<b>3,805.01</b>
<b>(B) Investment in Others (Unquoted) - non current :</b>		
Investments in unquoted equity instruments at FVTPL		
<b>North East Power &amp; Infra Limited</b> 1,80,000 (1,80,000 as at 31.03.20) Equity Share of Rs 10/- each fully paid up.	11.76	10.94
<b>Total</b>	<b>11.76</b>	<b>10.94</b>
<b>Total non - current investments</b>		
Aggregate amount of Quoted investment	-	-
Aggregate amount of Unquoted investments	11.76	10.94
	<b>11.76</b>	<b>10.94</b>
<b>Note: 5 Other financial assets - Non Current</b>		
<b>Security deposits</b>		
Unsecured, considered good	336.46	223.60
	<b>336.46</b>	<b>223.60</b>
<b>Note: 6 - Deferred tax assets (net)</b>		
<b>Deferred Tax Assets</b>		
- MAT Credit entitlement / Disallowances of Expenses	475.28	540.12
- Staff Leave encashment and gratuity	6.75	12.72
- Tax effect of Other Comprehensive Income	5.48	7.49
	487.51	560.33
<b>Deferred Tax liability</b>		
- Impact of difference between tax depreciation and depreciation charged	256.79	257.20
	256.79	257.20
<b>Net deferred tax Assets/(liability)</b>	<b>230.72</b>	<b>303.13</b>

(Rs. In Lacs)

<b>Note: 7 - Other non-current assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Unsecured, Considered Good		
Capital advances	335.19	358.60
	<b>335.19</b>	<b>358.60</b>

<b>Note: 8 - Inventories</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Raw Materials and components	327.62	157.64
Work - In - Progress	142.78	90.63
Finished Goods	142.38	71.13
Packing Material	62.10	46.72
Stores & Spares parts	883.71	847.86
	<b>1,558.58</b>	<b>1,213.98</b>

<b>Note: 9 - Trade receivables</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Secured, considered Good	193.08	166.71
Unsecured, considered good	1,256.19	1,150.84
<b>Total Trade receivables</b>	<b>1,449.28</b>	<b>1,317.55</b>

<b>Note: 10 - Cash and cash equivalents</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Cash in hand	23.73	11.60
Cheques in hand	5.27	-
Balance with Banks		
- In current accounts	2.82	91.00
	<b>31.82</b>	<b>102.59</b>

<b>Note: 11 - Other - Bank balances other than above</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months *	36.78	110.08
	<b>36.78</b>	<b>110.08</b>

\* The bank balance disclosed above represents margin money against bank guarantee or kept as security are subject to regulatory restrictions and are therefore not available for general use by the Company.

<b>Note: 12 - Loans</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Loans and advances to related parties (Unsecured, Considered Good)	571.59	214.47
	<b>571.59</b>	<b>214.47</b>

<b>Note: 13 - Other financial assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Advances to employees	14.39	13.19
	<b>14.39</b>	<b>13.19</b>

(Rs. In Lacs)

<b>Note: 14 - Other current assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Unsecured, considered good		
-Advances to suppliers	687.61	761.53
-Balances with statutory/government authorities	1,918.18	1,720.42
-Advances for services & expenses	26.06	33.82
	<b>2,631.85</b>	<b>2,515.77</b>

<b>Note: 15 - Equity share capital</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Authorised Capital</b>	<u>2,500.00</u>	<u>2,500.00</u>
{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2020) of Rs. 10/- each}		
<b>Issued, Subscribed, Called &amp; fully Paid -up shares</b>		
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.2020) of Rs. 10/- each, fully paid up.}	2,216.00	2,216.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

<b>Equity Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
At the beginning of the year	22,160,000	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	22,160,000	22,160,000

**(b) Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.

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

**(c) Details of Shareholders holding more than 5% shares in the company**

<b>Name of the Shareholders</b>	<b>No. of Shares/ % of holding</b>	<b>No. of Shares/ % of holding</b>
Sh. Prahlad Rai Chamaria	2,023,800 9.13%	1,984,800 8.96%
Sh. Santosh Kumar Bajaj	1,884,500 8.50%	1,884,500 8.50%
Sh. Mahendra Kumar Agarwal	1,475,780 6.66%	1,475,680 6.66%
Mrs. Bina Garodia	2,158,800 9.74%	2,159,800 9.75%

(Rs. In Lacs)

<b>Note - 16 Other Equity</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Securities Premium Account</b>		
Opening Balance	1,514.40	1,514.40
Addition/(deduction) during the year	-	-
	<b>1,514.40</b>	<b>1,514.40</b>
<b>General Reserve</b>		
Opening Balance	397.29	397.29
Addition/(deduction) during the year	-	-
	<b>397.29</b>	<b>397.29</b>

(Rs. In Lacs)

<b>Retained Earnings</b>		
Opening Balance	4,742.63	4,333.59
Profit / (Loss) for the year	317.86	422.31
Add: Other comprehensive income/ (Loss) (net of taxes)	5.21	(13.27)
Add: impact of deferred tax/ others	-	-
<b>Total Retained earnings</b>	<b>5,065.70</b>	<b>4,742.63</b>
<b>Total Other Equity</b>	<b>6,977.39</b>	<b>6,654.32</b>

**Nature and purpose of reserves :**

- Securities Premium : At the time of Initial Public Offer, the excess of issue price of shares over the face value of shares issued, minus expenditure incurred on issuance of shares is treated as Securities Premium.
- General Reserve : The company had transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956.
- Retained Earnings : Retained Earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the the shareholders of the company.

<b>Note: 17 - Borrowings</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<u>Term loans (secured) : [Refer notes below]</u>		
Rupee loans from a financial institution	1,953.64	1,072.72
Working Capital Term loan from Banks (GECL Scheme)	489.00	-
Loan from body corporates (unsecured)	1,936.70	1,680.77
Loans from related parties (unsecured)	2,003.20	2,227.81
<u>Other loans (secured)</u>		
- 'Hire purchase finance from banks & financial institution	451.57	583.19
	<b>6,834.12</b>	<b>5,564.49</b>
Less: Current maturities of long term borrowings	(475.04)	(340.72)
	<b>6,359.08</b>	<b>5,223.77</b>

- Rupee Term Loans (RTL) of Rs. 1,953.63 lakhs (Last year : Rs. 1,072.72 lakhs) is consisting of two loans (i) Rs. 461.44 Lakhs (sanctioned amount Rs. 800.00 Lakhs) from a financial institution which is repayable from April' 2018 in quarterly installments of Rs. 30.77 lakhs till Sept.' 2024 and (ii) Rs. 1,492.19 Lakhs (sanctioned amount Rs. 1600.00 Lakhs) from a financial institution which is repayable from January' 2022 in monthly installment of Rs. 22.22 lakhs till December' 2027. The loan is secured by first charge on land, building including civil structure of the company's assets and extension of first charge on plant and machinery, fixed and immovable assets of the company on pari-passu basis with IDBI Bank. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- WCTL Loan of Rs. 489.00 Lakhs under GECL Scheme is secured by way of Second charge on all the current assets of the company, which were extended for taking existing credit facility of Rs. 2500.00 Lakhs.
- Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.
- Term Loans from related parties are long term in nature.
- Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within three to four years.

<b>Note: 18 Other financial liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Security Deposit	479.13	492.94
	<b>479.13</b>	<b>492.94</b>

(Rs. In Lacs)

<b>Note: 19 - Employee benefit obligations</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provisions for employee benefits : (Refer note : 42)		
- Leave encashment	31.75	29.93
- Gratuity	100.50	79.77
	<b>132.25</b>	<b>109.69</b>

<b>Note: 20 Other non current liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Advance Received for Capital Asset	592.50	-
- Deffered Government Grant Income	102.48	111.80
	<b>694.98</b>	<b>111.80</b>

<b>Note: 21 - Borrowings</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<i>Secured</i>		
Working capital facilities from banks (Refer note below)		
- Cash credit limit	2,424.65	2,498.55
	<b>2,424.65</b>	<b>2,498.55</b>

**Notes-**

(a) Working Capital facilities of Rs. 2,424.64 lacs (Last year : Rs. 2,498.55 Lacs) from banks are secured by first charge on current assets of the company and first charge on the fixed assets of the company pari-passu basis with NEDFi, both present and future including mortgage of immovable assets. Working Capital facilities from banks have also been guaranteed by some of the Directors of the company.

<b>Note: 22 - Other financial liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Current maturities of long term borrowings	475.04	340.72
Interest accrued but not due on borrowings	23.86	31.52
Other payables :		
-Selling and other expenses payable	143.76	40.83
-Salaries, Wages and Other Benefits to Staff Payable	99.45	108.97
-Other liabilities	157.45	67.36
	<b>899.55</b>	<b>589.40</b>

<b>Note: 23 - Employee benefit obligation</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provisions for employee benefits : (Refer note : 42)		
-Leave encashment	7.82	7.03
- Gratuity	21.95	21.01
	<b>29.77</b>	<b>28.05</b>

<b>Note: 24 - Other current liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Deferred government grant	9.32	9.32
<b>Other payables</b>		
-Statutory liabilities	1,247.63	1,387.19
Advances from customer	97.85	145.74
	<b>1,354.80</b>	<b>1,542.25</b>

<b>Note: 25 - Current tax liabilities (net)</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provision for taxation (net of advance income tax)	24.55	28.26
	<b>24.55</b>	<b>28.26</b>

(Rs. In Lacs)

<b>Note: 26 - Revenue from operations</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Sale of products</b>		
Domestic Sale	13,281.96	15,496.98
<b>Other operating income</b>		
Others	-	-
<b>Revenue from operation</b>	<b>13,281.96</b>	<b>15,496.98</b>

<b>Note: 27- Other income</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Interest income on:-</b>		
-Bank deposits	22.63	26.86
- Interest on I.Tax Refund	-	15.87
-Gaurantee fee Income	9.44	10.84
-Amortisation of deferred income	9.32	9.32
-Other Non Operating income	70.64	73.27
	<b>112.02</b>	<b>136.15</b>

<b>Note: 28 - Cost of materials consumed</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Inventory at the beginning of the year	204.36	126.49
Add: Purchases	4,454.36	4,268.00
	4,658.72	4,394.50
Less :Inventory at the end of the year	389.72	204.36
<b>Cost of Materials Consumed</b>	<b>4,269.00</b>	<b>4,190.14</b>

<b>Note: 29 - (Increase)/decrease in inventories</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Inventories at the end of the year</b>		
Work -in -Progress	142.78	90.63
Finished Goods	142.38	71.13
	285.16	161.76
<b>Inventories at the beginning of the year</b>		
Work -in -Progress	90.63	8.44
Finished Goods	71.13	68.05
	161.76	76.49
<b>(Increase) /Decrease in inventories</b>	<b>(123.40)</b>	<b>(85.27)</b>

<b>Note: 30 - Employee benefit expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Salaries, Wages & other manpower expenses	1,238.37	1,257.97
Contribution to Provident and other funds	48.27	32.35
Gratuity Expenses	28.37	14.26
Staff welfare expenses	35.07	22.49
	<b>1,350.08</b>	<b>1,327.08</b>

<b>Note: 31 - Finance costs</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Interest expense		
-On Term loans	184.71	88.34
-On Working Capital	353.68	387.61
Other finance costs	267.07	296.24
	<b>805.47</b>	<b>772.19</b>



(Rs. In Lacs)

<b>Note: 32 - Depreciation and amortization expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Depreciation on tangible Assets	511.93	535.61
Amortisation of intangible Assets	13.55	13.55
	<b>525.48</b>	<b>549.16</b>

<b>Note: 33 - Other expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Consumption of Stores & Spare parts	423.77	424.14
Power & Fuel	3,680.02	4,041.92
Rent	38.02	33.89
<u>Repairs &amp; Maintenance</u>		
- Building	35.04	28.31
- Plant & Machinery	28.69	29.05
- Others	16.80	24.27
Vehicle running, Maintenance exp.	13.98	32.79
Printing, Stationery & Computer expenses	12.34	21.83
Material Handling & Freight Charges	80.55	99.79
Travelling and Conveyance	29.97	54.86
Insurance Expenses	33.16	121.14
Rates & Taxes	5.00	5.79
Research & Development Expenses	-	0.14
Auditor's Remuneration	2.50	2.50
Sundry advances written off	100.80	76.25
Director's Remuneration	48.00	48.00
Charity & Donation	24.17	39.69
Central Excise & Education Cess demand/ PLA balance w/off.	173.32	606.58
Miscellaneous Expenses	186.85	197.42
Outward transportation cost	938.91	2,304.51
Advertisement, Publicity & Sales Promotion Expenses	216.06	241.46
Telephone expenses	9.08	7.73
	<b>6,097.02</b>	<b>8,442.05</b>

**(34) Tax Expenses :**

(Rs. In Lacs)

<b>S. no.</b>	<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
(a)	<u>Current Tax:</u> Current tax on profits for the year	82.07	72.59
(b)	<u>Deferred Tax:</u> Deferred tax	70.40	(57.11)
	<b>Total Tax Expenses</b>	<b>152.47</b>	<b>15.48</b>

The Tax Rate used for the year 2020-21 and 2019-20 is the MAT of 16.692% (15%+Surcharge@ 7% + education cess 4%) payable on 'Adjusted Book Profits' under the Income - Tax Act, 1961.

**(35) Earnings per share:**

Earnings per Share (EPS) for the year ended 31<sup>st</sup> March' 2021 is calculated as under:

(Rs. In Lacs)

		<b>2020-21</b>	<b>2019-20</b>
(a)	Profit / (Loss) attributable to Equity Shareholders of the company (In Lac Rs.)	<b>317.86</b>	422.31

(b)	The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS (In No.s)	<b>2,21,60,000</b>	2,21,60,000
(c)	Face value per Ordinary Share.(In Rs.)	<b>10.00</b>	10.00
(d)	Earnings Per Share - Basic & Diluted (In Rs.)	<b>1.43</b>	1.91

**(36) Capital Commitments**

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to Rs. 145.45 Lacs (Rs. 849.60 Lacs as at 31<sup>st</sup> March' 2020)

**(37) Contingent liabilities not provided for:**

- (a) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 943.64 Lacs (Rs. 1,083.84 Lacs as at 31<sup>st</sup> March' 2020).
- (b) Claims against the company not acknowledged as debts: Disputed demands of Entry – tax/ Income- Tax / Central Excise duty and Education Cess matters pending before the Appellate Authorities: Rs. 703.44 Lacs (Rs. 278.37 lacs as at 31<sup>st</sup> March' 2020)
- (c) Fixed Deposit Receipts pledged with the banks / others: Rs. 29.71 Lacs (Rs. 92.69 Lacs as at 31<sup>st</sup> March' 2020)

**(38) Payment made to Auditor's during the year ended is as under: -**

(Rs. in Lacs)

Particulars	31-Mar-21	31-Mar-20
a. Statutory Audit fees	1.75	1.75
b. Tax - Audit fees	0.50	0.50
c. Company Law and other matters	0.25	0.25
Total	<b>2.50</b>	<b>2.50</b>

**(39)** The company is eligible for VAT/SGST exemption in accordance with Industrial and Investment Policy of Assam, 2014 to the extent of Rs. 22.40 Crores for the period from 31.03.2017 to 31.03.2022. During the year, company has received part payment of earlier period claims i.e. related to FY 2018, 2019 and 2020. However, as per Management approach of the company, as there is uncertainty and lack of assurance regarding balance amount of earlier year claims and their time period, the remaining amount of such claims amounting Rs. 296.20 lacs will be accounted for on a later stage in accordance with Ind AS -20 "Accounting for Government grants."

**(40)** The company has not received any information from suppliers regarding their status of registration under Micro, Small and Medium Enterprises Development Act, 2006 and as such it is presumed that they are not registered under the Act. So, based on the information/ documents available with the company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(Rs. In Lacs)

Particulars	31-Mar-21	31- Mar-20
(I) -Principal amount remaining unpaid to any supplier at the end of the accounting period	--	--
-Interest due on above	--	--
Total amount outstanding	--	--
(ii) The amount of Principal/ interest paid by the company in terms of Section 16	--	--
(iii) The amount of interest due and payable for the period of delay	--	--
(iv) The amount of interest accrued and remaining unpaid	--	--
(v) 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.	--	--

**(41) Assets pledged as Security: The carrying amount of assets pledged as security for borrowings are as under:**

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
(I) First charge on Current Assets :		
(i) Inventory	1558.58	1213.98
(ii) Trade Receivable	1449.28	1317.55
(iii) Cash and cash equivalents	31.82	102.59
(iv) Other bank balances	36.78	110.08
(v) Loans/ other financial assets	585.97	227.66
(vi) Other current assets	2631.85	2515.77
<b>Total Current assets</b>	<b>6,294.28</b>	<b>5,487.63</b>
(II) First charge on Non – Current Assets :		
(i) Property, plant and equipments	12,157.36	11,819.80
<b>Total Non -Current assets</b>	<b>12,157.36</b>	<b>11,819.80</b>
<b>Total Assets pledged as security</b>	<b>18,451.64</b>	<b>17,307.43</b>

**(42) Employees benefit obligations:**

**a) Defined contribution plans:**

The Company makes contribution towards employees' provident fund and labour welfare fund schemes. Under these schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of these schemes, to these defined contribution schemes. During the year, the Company recognised Rs. 48.27 Lacs (Rs.32.35 Lacs as at 31st March, 2020) as expense towards contribution to these plans and included in "Employee benefit expenses" in Note 30 to the financial statements.

**b) Defined benefit plans:**

**(i) Leave encashment:**

Under leave encashment scheme, the company allows its employees to en-cash accumulated leave over and above thirty days at any time during the year. So, accumulated leave encashment liability for up to 30 days period is classified as non -current liability and over the period of 30 days is covered under current liability. Earned Leave liability at year end are as follows :

(Rs. in Lacs)

		31-Mar-21	31-Mar-20
A	Current Liability (Amount Due within one year)	7.82	7.03
B	Non-Current Liability (Amount Due over one year)	31.75	29.93
	Total amount of Leave Encashment	39.57	36.96

**(ii) Gratuity:**

The Company has a defined benefit gratuity plan, wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The gratuity benefits are payable after five years of continuous service by the employee. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(Rs. In Lacs)

Particulars	Present value of obligation	Net amount
<b>Opening as on 01<sup>st</sup> April' 2019</b>	<b>67.15</b>	<b>67.15</b>
Current Service Cost	8.84	8.84
Interest expenses/ (income)	6.09	6.09
Actuarial (gain)/ loss/ OCI	19.36	19.36
Re- assessment of transfer obligations	(0.67)	(0.67)
<b>Total amount recognized in profit and loss</b>	<b>33.62</b>	<b>33.62</b>
Benefits paid	(1.55)	(1.55)
Disposal / Transfer of obligation	1.56	1.56
<b>Closing as on 31<sup>st</sup> March' 2020</b>	<b>100.78</b>	<b>100.78</b>

Particulars	Present value of obligation	Net amount
<b>Opening as on 01<sup>st</sup> April' 2020</b>	<b>100.78</b>	<b>100.78</b>
Current Service Cost	9.19	9.19
Interest expenses/ (income)	7.72	7.72
Actuarial gain/ loss	(6.41)	(6.41)
Re- assessment of transfer obligations	11.46	11.46
<b>Total amount recognized in profit and loss (including OCI)</b>	<b>21.96</b>	<b>21.96</b>
Benefits paid	(0.29)	(0.29)
<b>Closing as on 31<sup>st</sup> March' 2021</b>	<b>122.45</b>	<b>122.45</b>

		31-Mar-21	31-Mar-20
A	Current Liability (Amount Due within one year)	21.95	21.01
B	Non-Current Liability (Amount Due over one year)	100.50	79.77
	Total Gratuity liability amount	122.45	100.78

The significant actuarial assumptions were as follows:

Particulars	31-Mar-21	31-Mar-20
<b>Discount Rate</b>	<b>6.70 %</b>	<b>6.88 %</b>
Salary Escalation	5.00 %	5.00 %
Withdrawal Rate (depending on age)	2% to 5%	2% to 5%
Retirement Age	58	58
Mortality Rate	IALM (2012-2014) table	IALM (2012-2014) table

Sensitivity analysis of the defined benefit obligations are here as under :

(Rs. in Lacs)

<b>a) Impact of the change in discount rate :</b>		
(i)	Impact due to increase of 0.50%	(4.36) Decrease
(ii)	Impact due to decrease of 0.50%	4.65 Increase
<b>b) Impact of the change in Salary increase :</b>		
(i)	Impact due to increase of 0.50%	4.71 Increase
(ii)	Impact due to decrease of 0.50%	(4.45) Decrease

**(iii) Risk Exposure:**

Through its defined benefit plans the Company is exposed to a number of risks, significant of which are as follows:

- Investment risk:** If the plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Life Expectancy:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
- Salary growth risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability. Any variation in salary increase rate assumption in future valuations will also increase the liability.

**(43) Capital management**

(a) Risk Management : The company's objective when managing capital are to :

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend to shareholders, return capital to shareholders or issue new shares.

(b) Dividend: During the year, management of the company has decided not to declare any dividend and accumulated its profits for future projects and consolidates its operating efficiency.

(44) The company deals in only one Segment i.e. cement manufacturing and trading which is the only identified operating segment of the company. There is no separate reportable segment as required by Ind AS – 108 “Operating Segments”. The entire revenue of the company has been generated by way of domestic sales in North Eastern states.

**(45) Financial instruments by category**

(Rs. in Lacs)

Particulars	31-Mar-21			31-Mar-20		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial Assets :</b>						
Investment in equity instruments	-	11.76	-	-	10.94	-
Security Deposits	-	-	336.46	-	-	223.60
Trade Receivables	-	-	1449.28	-	-	1,317.55
Cash and cash equivalents	-	-	31.82	-	-	102.59
Balance with banks	-	-	36.78	-	-	110.08
Recoverable from related parties	-	-	571.59	-	-	214.47
Other financial assets	-	-	14.39	-	-	13.19
	-	<b>11.76</b>	<b>2,440.32</b>	-	<b>10.94</b>	<b>1,981.48</b>
<b>Financial Liabilities :</b>						
Borrowings	-	-	8,783.73	-	-	7,722.32
Security Deposit	-	-	479.13	-	-	492.94
Trade payable	-	-	1578.64	-	-	2,513.69
Salary, wages and other benefits to employees	-	-	99.45	-	-	108.97
Other Liabilities	-	-	800.10	-	-	480.43
	-	-	<b>11,741.05</b>	-	-	<b>11,318.35</b>

**i) Fair value hierarchy**

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

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

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

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

**ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the financial instruments is determined using Net Worth method.

**iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements**

(Rs. in Lacs)

Particular	31-Mar-21			31-Mar-20		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	-	-	11.76	-	-	10.94
<b>Total financial assets</b>	-	-	11.76	-	-	10.94

**iv) Fair value of financial assets and liabilities measured at amortized cost :**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values.

**(46) Maturities of financial liabilities :**

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

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

(Rs. In Lacs)

<b>Contractual maturities of financial liabilities- 31st March, 2021</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing including Interest Amount	2,424.65	4,726.82	1,632.26	-	8,783.73
Trade payables	1,578.64	-	-	-	1,578.64
Other payables	899.55	479.13	-	-	1,378.68
<b>Total financial liabilities</b>	<b>4,902.84</b>	<b>5,205.95</b>	<b>1,632.26</b>	-	<b>11,741.05</b>

<b>Contractual maturities of financial liabilities- 31st March, 2020</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing including Interest Amount	2,498.55	5,223.77	-	-	7,722.32
Trade payables	2,513.69	-	-	-	2,513.69
Other payables	589.40	492.94	-	-	1,082.34
<b>Total financial liabilities</b>	<b>5,601.64</b>	<b>5,716.71</b>	-	-	<b>11,318.35</b>

**(47) Related Party disclosures:**

<b>Name of the related parties where control exists</b>	<b>Nature of relationship</b>
Meghalaya Minerals & Mines Ltd.	Subsidiary Company
Badarpur Energy Pvt. Ltd.	Subsidiary Company
Cement International Ltd.	Subsidiary Company
Goombira Tea Co. Ltd.	Subsidiary Company
Singlacherra Tea Co. Pvt. Ltd.	Subsidiary Company
Chargola Tea Co. Pvt. Ltd.	Subsidiary Company
Valley Strong Cements (Assam) Ltd.	Subsidiary Company

<b>Other related parties :</b>	<b>Nature of relationship</b>
<b>(I) Enterprises Influenced by Key Management Personnel (KMP):</b>	
North East Power & Infra Ltd.	Enterprises influenced by KMP
Om Infracon Pvt. Ltd.	Enterprises influenced by KMP
Om North East Projects Pvt. Ltd.	Enterprises influenced by KMP
Plascom Industries, LLP	Enterprises influenced by KMP
Meghalaya Cements Ltd.	Enterprises influenced by KMP
Neelachal Marketing Pvt. Ltd.	Enterprises influenced by KMP
LKC Industries & Infra Pvt. Ltd.	Enterprises influenced by KMP
Goombira Green Pvt. Ltd.	Enterprises influenced by KMP
Dony Power & Infra, LLP	Enterprises influenced by KMP
Dony Polo Udyog Ltd.	Enterprises influenced by KMP
Valley Strong Cement Ltd.	Enterprises influenced by KMP

<b>(II) Key Management Personnel :</b>	<b>Designation</b>
Sh. Kamakhya Chamaria	Vice Chairman and Managing Director
Sh. Santosh Kumar Bajaj	Director
Sh. Mahendra Kumar Agarwal	Vice Chairman and Non Executive Director
Sh. Tanuj Chamaria	Son of Sh. Kamakhya Chamaria, Vice Chairman and Managing Director
Sh. Mukesh Kumar Shovasaria	Chief Executive Officer
Mr. Rajesh Aggarwal	Chief Financial Officer
Mrs. Manisha Mahana	Company Secretary (w.e.f. 26.08.20 to 11.11.20)
Ms. Deepa	Company Secretary (w.e.f. 12.11.2020)

Details of transactions with the related parties are shown as below:

(Rs. In Lacs)

S. no.	Type of Transaction	Subsidiary Companies		Other Enterprises influenced by KMP		Key Management Personnel / Relatives	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Sale of Stores, spares, goods and other services:						
	: Cement International Ltd.	3.14	8.18	-	-		
	: Goombira Tea Co. Ltd.	25.21	44.75	-	-		
	: Singlacherra Tea Co. Pvt. Ltd.	0.09					
	: Chargola Tea Co. Pvt. Ltd.	0.04					
	: North East Power & Infra Ltd.	-	-	133.72	-		
	: Meghalaya Minerals & Mine Ltd.	8.97	8.59	-	-		
	: Badarpur Energy Pvt. Ltd.	0.63	1.20	-	-		
	: LKC Industries & Infra Pvt. Ltd.			8.79	-		
2	Purchase of Raw Material, goods/ services:						
	: Meghalaya Minerals & Mines Ltd.	672.69	948.32	-	-		
	: Goombira Tea Company Ltd.	0.09	1.88				
	: North East Power & Infra Ltd.	-	-	962.45	752.24		
	: Dony Power & Infra LLP			2.72	-		
	: Meghalaya Cements Ltd.			223.64	163.22		
	: Plascom Industries, LLP			502.65	492.81		
3	Investment in shares :						
	: Goombira Tea Co. Ltd.	-	108.72	-	-		
	: Singlacheera Tea Co. Pvt. Ltd.	-	54.60	-	-		
4	Loan & Advances taken / (Repayment) :						
	: Cement International Ltd.	(16.65)	(173.52)	-	-		
	: Meghalaya Minerals & Mines Ltd.	162.00	-				
	: Dony Polo Udyog Ltd.	-	-	-	(48.05)		
	: Om Infra Con Pvt. Ltd.	-	-	(8.00)	(34.14)		
	: LKC Industries & Infra Pvt. Ltd.			(83.14)	79.68		
	: Om North East Projects Pvt. Ltd.			(49.50)	(123.45)		
	: Neelachal Marketing Pvt. Ltd.			(145.36)	102.52		
	: Sh. Kamakhya Chamaria					(12.73)	47.54
	: Sh. Mahendra Kumar Agarwal					(93.00)	960.50
5	Loans/ Advances given/ (Repayment) :						
	: Badarpur Energy Pvt. Ltd.	-	(51.46)				
	: Valley Strong Cements (Assam) Ltd.	1.42	2.45				
	: Goombira Green Pvt. Ltd.			38.72	-		
	: Goombira Tea Co. Ltd.	319.64	(9.07)				
	: Singlacherra Tea Co. Pvt. Ltd.	3.97	0.24				
	: Chargola Tea Co. Pvt. Ltd.	0.69	12.13				
	: Valley Strong Cement Ltd.			(1.20)	0.02		
	: North East Power & Infra Ltd.			-	22.50		
6	Interest paid /credited :						
	: Meghalaya Minerals & Mines Ltd.	0.38	-				
	: Dony Polo Udyog Ltd.			15.07	17.71		
	: Om Infra Con Pvt. Ltd.			14.57	17.62		
	: Om North East Projects Pvt. Ltd.			1.76	7.27		
	: Neelachal Marketing Pvt. Ltd.			7.62	12.80		
	: LKC Industries & Infra Pvt. Ltd.			7.35	5.67		
	: Sh. Kamakhya Chamaria					11.23	8.54

7	Gurantee fee / Hire charges received : : Meghalaya Minerals & Mines Ltd. : Goombira Tea Co. Ltd. : Singlacheera Tea Co. Pvt. Ltd.	5.90 5.24 -	38.90 6.44 0.45				
8	Remuneration paid to Key Management personnel / their relatives : : Sh. Kamakhya Chamaria : Sh. Tanuj Chamaria : Sh. Mukesh Kumar Shovasaria : Sh. Rajesh Aggarwal : Mrs.Manisha Mahana : Miss.Deepa					48.00 28.03 25.66 20.25 0.36 1.50	48.00 28.81 25.65 22.19 - -
9	<u>Balance Outstanding :</u> (a) Loan taken : Cement International Ltd. : Goombira Tea Co. Ltd. : Singlacheria Tea Co. Ltd. : Chargola Tea Co. Pvt. Ltd. : Om Infra Con Pvt. Ltd. : Om North East Projects Pvt. Ltd. : Dony Polo Udyog Ltd. : LKC Industries & Infra Pvt. Ltd. : Neelachal Marketing Pvt. Ltd. : Meghalaya Minerals and Mines Ltd. : Sh. Kamakhya Chamaria : Sh. Mahendra Kumar Agarwal  (b) Loan given : : Valley Strong Cement Ltd. : Valley Strong Cement (Assam) Ltd. (c) Trade Payables / (Advances given): : Meghalaya Minerals & Mines Ltd. : Badarpur Energy Pvt. Ltd. : North East Power & Infra Ltd. : Meghalaya Cement Limited : Plascom Industries, LLP	116.20 493.00 8.86 21.46       162.35   9.55 (1.11) 2.14	132.85 173.36 4.90 20.77       - 8.13 717.98 -	216.13 0.00 181.42 38.18 59.56      385.31 9.18 196.85	210.66 47.88 167.48 121.33 212.53      (0.53) 115.09	116.85 1,112.50	129.58 1,205.50

**(48) Financial risk management:**

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

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

Risk	Exposure arising from	Management
<b>Credit risk</b>	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost.	Diversification of customer base
<b>Liquidity risk</b>	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
<b>Market risk – interest rate</b>	Long-term borrowings at fixed rates.	Portfolio of loan contains fixed interest loans from financial institutions & others.



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

(i) **Trade receivables:** Customer credit risk is managed by the company through its established policy, procedures and control relating to customer credit risk management. Trade receivables are non interest bearing and are generally carrying 30-45 days credit term. Outstanding debtors are regularly monitored by the sales and collection team of the company. Further the company receives security deposits from its customers which mitigate the credit risk. The ageing of trade receivables as of balance sheet date is as below:

(Rs. In Lacs)

Particulars	Less than 6 months	More than 6 months and up to 1 year	More than 1 year	Total Net carrying amount of trade Receivables
As on 31 <sup>st</sup> March, 2021	1,232.30	13.47	203.51	1,449.28
As on 31 <sup>st</sup> March, 2020	832.29	108.12	377.14	1,317.55

(ii) **Financial instruments and deposits:** Credit risk from balance with banks and financial institutions is managed by the finance department of the company. Investments of surplus funds are made only with approved counterparties in accordance with the company's policy. Loans are given to body corporate as per the company policy and the receipt of repayment are reviewed on regular basis. Other financial assets are considered to be of good quality and there is no significant risk.

(b) **Liquidity Risk :** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Due to the nature of the underlying business, the company maintains sufficient cash and liquid investments available to meet its obligation. Management of the company regularly monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The company had access to the working capital facilities from the bank amounting Rs. 2,500.00 Lacs (Outstanding balance Rs. 2,424.65 Lacs as at 31<sup>st</sup> March'2021) which are expiring in one year, subject to the renewal of the same by the banking authorities. A part from the working capital facility, company has also following outstanding borrowings from banks and financial institutions:

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
Borrowings	2,894.21	1,655.91
Due within next one year (out of above)	475.04	340.72

(c) **Interest rate Risk :** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As the company's borrowings except borrowing from market are fixed rate borrowings; they are carried out at amortised cost and are not subject to interest rate risk as defined in Ind AS 107.

The exposure of the company's financial liability to interest rate risk is as follows :

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
Variable rate (market) borrowing	3,939.91	3,908.58
Fixed rate borrowings	2,894.21	1,655.91
Total	6,834.12	5,564.49

(49) The operations of Company were partially impacted, as there has been disruptions to regular operations due to lock down, disruptions in transportations, supply chains, travel bans, quarantines and other emergency measures. The Company have made detailed assessment of its liquidity position for the next few months and the recoverability and carrying value of its property, plant and equipment, loans and other assets, intangible assets, right of use assets, investments, inventories and trade receivables and based on the current indicators of future economic conditions as well as internal and external information up to the date of approval of these financial statements, it is expected to recover the carrying amount of these assets and no material adjustments are required to be made in the financial results. The management does not foresee any risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. It will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

(50) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.

(51) The financial statements are approved by the Audit Committee at its meeting held on 29th June' 2021 and by the Board of Directors on the same date.

As per our report of even date  
**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**(CA. Sandeep Gulati)**  
Partner  
M.No. 509230  
**Gurgaon, 29th June, 2021**

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Rajesh Aggarwal)**  
Chief Financial Officer

**(Ms. Deepa)**  
Company Secretary

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

**(Kamakhya Chamarla)**  
Vice Chairman & Managing Director

**(Santosh Kumar Bajaj)**  
Director

## Independent Auditors' Report

To

**The Members of Barak Valley Cements Limited,**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Barak Valley Cements Limited ('hereinafter referred to as the Holding Company')**, and its subsidiary companies (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2021, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw your attention to Note No. 52 to the Consolidated Financial Statements which describes the economic and social consequences/ disruption the entity is facing as a result of COVID-19 and its impact on financial position/ ability of the company to face the challenge/ impact on supply chain and demand/ impact on the standalone financial statements requiring adjustments.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. no.	Key Audit Matter	Auditor's Responses
1.	In respect of parties' balances, confirmations were sought at year end. Some parties have sent the confirmations. In respect of other parties, management realises that due to COVID -19 lockdown, many offices were being closed and others working with skeleton staff, confirmations are not coming. It is also explained that company has the system of reconciling balances with the parties from time to time and most of the parties are having regular business transactions with the company.	In the absence of external confirmations, we carried out alternative procedures to verify the balances of parties :  (a) We tested the effectiveness of controls over sales and purchase transactions with the parties and accounting of the same in books of accounts.  (b) Transactions of Sales / purchase were verified through external bills and invoices. The payments were cross verified from the bank statements of the company. In view of the high magnitude of such transactions, we followed SA -530 "Audit Sampling" in this regard.

2.	<p>Revenue Recognition: (Refer Note No. 26 to the Consolidated financial statements and Note no. 2.13 of the Significant Accounting policies)</p> <p>Revenue is recognised when the control of the underlying products has been transferred to the customers along with the satisfaction of the company's performance obligation under a contract with the customer.</p> <p>Due to the company's presence among various regions in north eastern states and the competitive business environment, the estimation of various type of rebates, discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgemental. The risk is therefore, that revenue is not recognised in accordance with Ind AS -115 'Revenue from contracts with customers'</p>	<p>Our audit procedure to assess the appropriateness of revenue recognition included :</p> <p>a) Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key control system regarding the revenue recognition process and its compliance with the Ind AS -115 'Revenue from contract with the customers'.</p> <p>b) Assessing the appropriateness of the company's accounting policies relating to discounts , rebates etc.</p> <p>c) Performed sample tests of individual sale transactions and going through sales invoice, sales order and other related documents for discounts, rebates and other incentive schemes.</p> <p>d) Assessed the adequacy of relevant disclosures made within the financial statements.</p> <p>Our testing as described above showed that revenue has been properly recorded in accordance with the terms of contract and according to the policy adopted by the company.</p>
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**Information other than the Consolidated financial statements and Auditors' Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's information, Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate implementation and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative factors in (1) planning the scope of our audit work and in evaluating the results of our audit work: and (2) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**Other Matters**

Due to COVID- 19 pandemic and the consequential lockdown/ restriction on movements announced by the Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. We have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Statement.

Our opinion is not modified in respect of this matter.

- We did not audit the financial statements of all the seven subsidiaries included in the consolidated financials, whose consolidated financial statements reflect total assets of Rs. 12,044.34 Lakhs as well as the total revenue of Rs. 2,269.09 Lakhs and total comprehensive Profit/ (Loss) of Rs. (81.86) lakhs for the year ended March 31, 2021. These financial statements have been audited by other auditors whose reports have

been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph - Auditor's Responsibilities for the Audit of the Statement.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results certified by the Management.

#### **Report on other Legal & Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors of the Holding company as on March 31, 2021, and taken on record by the Board of Directors of Holding Company and its subsidiaries, none of the directors is disqualified as on March 31, 2021, 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 Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act :

In our opinion and according to the information and explanations given to us, the remuneration paid by the Group to its director's during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 and to the best of our information and according to the explanation given to us.
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its subsidiary companies during the year ended 31<sup>st</sup> March, 2021.

**For P.K. Lakhani & Co.,**  
**Chartered Accountants**  
Firm Registration No.: 014682-N

**(CA. Sandeep Gulati)**  
**Partner**  
**M. No. 509230**  
UDIN : 21509230AAAAHR4714

Place: Gurgaon

Date: 29th June, 2021

**Annexure - A to the Independent Auditors' Report on the Consolidated Financial Statements of Barak Valley Cements Limited****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated financial statements of the company as of 31<sup>st</sup> March, 2021, we have audited the internal financial controls over financial reporting of **Barak Valley Cements Limited** ("the Holding Company") and its subsidiary companies as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

**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 consolidated 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

***Opinion***

In our opinion, the Holding company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.K. Lakhani & Co.,  
Chartered Accountants**  
*Firm Registration No.: 014682-N*

**(CA. Sandeep Gulati)**  
**Partner**  
**M. No. 509230**  
UDIN : 21509230AAAAHR4714

Place: Gurgaon  
Date: 29th June, 2021



**1. Principles of consolidation and equity accounting**

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method, after initially being recognised at cost.

**c) Equity method**

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation:**

**(i) Compliance with Ind AS**

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

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

**(ii) Historical Cost Convention**

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

- § defined benefit plans – plan assets measured at fair value.
- § certain financial assets & Liabilities that are measured at fair value.

**(iii) Rounding of amounts**

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

**2.2 Current and non-current classification**

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

**2.3 Use of Estimates :**

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgments are continuously evaluated and are based on the historical experience and other factors, expectations of future events that are believed to be reasonable under current circumstances.

#### **2.4 Property, plant and equipment:**

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, if any) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditure are included in the asset's carrying amount or recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

##### **Capital Work In Progress :**

Property, plant and equipment not ready for their intended use as at the close of the year are classified as 'Capital work in progress' and carried at cost and includes any directly attributable cost incurred during construction period. Such items are classified to the appropriate category of property, plant and equipment after their completion and ready for their intended use.

#### **2.5 Expenditure during construction period:**

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

#### **2.6 Depreciation:**

Depreciation on Property, plant and equipment is provided on Written down Value (WDV) Method except in case of subsidiary "Badarpur Energy Private Limited", where depreciation is provided on Straight Line Method (SLM) in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### **2.7 Intangible Assets :**

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

#### **2.8 Investments and other financial assets :**

##### **Classification**

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

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

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

##### **Measurement**

All the financial assets are recognized at fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### **Debt instruments**

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

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

**Equity instruments**

The Group subsequently measures all equity investments (except subsidiary, associate and joint venture, which are carried at cost) at fair value through other comprehensive income.

**Impairment of financial assets**

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

**Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

**2.9 Financial liabilities :**

**Initial recognition and measurement**

The Group recognises all the financial liabilities on initial recognition at fair value minus transaction costs that are directly attributable to the acquisition or issue of financial liability.

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

**Subsequent measurement**

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

**De-recognition of financial liabilities**

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

**2.10 Borrowings :**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Difference between the proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to any other party and the consideration paid, is recognized in profit or loss as finance cost or other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for 12 months after the reporting period.

**2.11 Inventories:**

Raw Materials, stores and spares, fuel and packing material are valued at lower of cost and net realizable value. Cost is determined on weighted average basis and includes purchase price, other cost incurred in bringing the inventories to their present location and condition and taxes for which credit is not available. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Inventories is computed on weighted average basis.

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

**2.12 Trade receivables and payables:**

Trade receivables are recognized initially at transaction price. Later on any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be accounted for as an expense. Subsequently receivables are measured at amortized cost using the effective interest method, less provision for impairment if any. The company follows the simplified approach as per Ind AS 109- Financial Instruments for recognition of impairment loss allowance.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Payables are also recognized at fair value and subsequently at amortized cost using the effective interest method.

**2.13 Revenue Recognition:**

The Group recognizes Revenue from sale of goods when the control of the products has been transferred. The sales are accounted when the products are dispatched to the customers. Delivery occurs when the products has been dispatched to the specified location and the risk of the loss etc. has been transferred and there is no unfulfilled obligation that could affect buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of consideration due to sale of goods.

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

Revenue is exclusive of goods and service tax and net of quantity discounts, cash discounts, rebates and sales returns. A receivable is recognised when the goods are dispatched to the customers in the normal course of business.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

**2.14 Impairment of non – financial assets:**

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

**2.15 Government Grants and Subsidies :**

Government grants and subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expenses.

**2.16 Employee Benefits:****(i) Short-term obligations**

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

**(ii) Defined Contribution Plan**

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

**(iii) Defined Benefit Plan**

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

**(iv) Other Long-term benefits**

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

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

**2.17 Tax Expenses:**

Tax expenses represents the sum of current tax and deferred tax :

**(a) Current Income - Tax :**

Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. Current income -tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided /paid as and when assessments are completed. Current tax related to OCI item are recognised in Other Comprehensive Income (OCI).

**Minimum Alternate Tax (MAT) :** Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specific period i.e., the period for which MAT credit is allowed to be carried forward. Such assets is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specific period.

**(b) Deferred Tax :**

Deferred income tax assets and liabilities are recognised for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

**2.18 Research and Development Expenditure :**

Revenue expenditure on Research and Development is charged to the statement of profit and loss as an expense when it is incurred. Capital expenditure including development cost are capitalised and added to the cost of property, plant and equipment in the year in which they are incurred.

**2.19 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**2.20 Provisions and Contingencies :**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expenses. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

**2.21 Cash and Cash Equivalents :**

Cash and cash equivalents in the Balance Sheet comprise cash in hand, cash at bank and demand deposits with banks and other short term highly liquid investments /deposits with an original maturity period of three months or less and are subject to insignificant risk of change in value.

**2.22 Earnings Per Share :**

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

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

**2.23 Lease :****As a Lessee:**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**As a Lessor:**

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivable at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight line basis over the lease term, unless the receipt from lessee is structured to increase in line with general inflation and compensate for the lessor's expected cost increase.

**2.24 Offsetting financial instruments :**

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

**2.25 Segment reporting :**

Based on the management approach as defined in Ind AS-108, the Chief operating decision maker, evaluate the performance of the company and allocate resources based on performance indicators by business segments and geographic segment.

**2.26 Dividends :**

Dividends paid / payable shall be recognised in the year in which the related dividends are approved by Shareholders or the Board of Directors as appropriate. The amount is recognised directly in equity.

Consolidated Balance Sheet as at 31st March' 2021

(Rs. In Lacs)

S. No.	Particulars	Notes	31-Mar-21	31-Mar-20
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
(a)	Property, plant and equipment	3	18,597.86	18,901.79
(b)	Capital work-in-progress		2,346.01	1,498.48
(c)	Intangible assets	3(a)	0.36	13.91
(d)	Financial assets :			
(i)	Investments	4	11.76	10.94
(ii)	Other financial assets	5	394.82	279.84
(e)	Deferred tax assets (net)	6	406.34	478.62
(f)	Other non-current assets	7	708.85	732.26
	<b>Total non-current assets</b>		<b>22,465.99</b>	<b>21,915.84</b>
(2)	<b>Current assets</b>			
(a)	Inventories	8	2,050.79	1,579.93
(b)	Financial assets :			
(i)	Trade receivables	9	1,539.48	1,350.39
(ii)	Cash and cash equivalents	10	184.64	173.71
(iii)	Other Bank balances (other than (ii) above)	11	56.16	127.49
(iv)	Loans	12	38.72	-
(v)	Other financial assets	13	22.77	17.19
(c)	Other current assets	14	2,741.04	2,641.96
	<b>Total current assets</b>		<b>6,633.59</b>	<b>5,890.67</b>
	<b>Total assets</b>		<b>29,099.58</b>	<b>27,806.51</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
(a)	Equity share capital	15	2,216.00	2,216.00
(b)	Other equity	16	9,501.97	9,318.33
	<b>Total equity</b>		<b>11,717.97</b>	<b>11,534.33</b>
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
(a)	Financial liabilities :			
(i)	Borrowings	17	7,713.68	6,833.41
(ii)	Other financial liabilities	18	496.13	502.94
(b)	Employee benefit obligations	19	134.85	112.49
(c)	Other non current liabilities	20	707.63	125.60
	<b>Total non-current liabilities</b>		<b>9,052.29</b>	<b>7,574.43</b>
(2)	<b>Current liabilities</b>			
(a)	Financial liabilities :			
(i)	Borrowings	21	3,020.76	3,147.28
(ii)	Trade payables		1,907.09	2,425.38
(iii)	Other financial liabilities	22	1,268.99	882.74
(b)	Employee benefit obligation	23	33.89	32.28
(c)	Other current liabilities	24	2,074.03	2,180.44
(d)	Current tax liabilities (net)	25	24.55	29.63
	<b>Total current liabilities</b>		<b>8,329.32</b>	<b>8,697.75</b>
	<b>Total liabilities</b>		<b>17,381.61</b>	<b>16,272.18</b>
	<b>Total equity and liabilities</b>		<b>29,099.58</b>	<b>27,806.51</b>

**Significant accounting policies and notes on accounts**

The accompanying notes 1-55 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**(CA. Sandeep Gulati)**  
Partner  
M.No. 509230  
**Gurgaon, 29th June, 2021**

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

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**(Rajesh Aggarwal)**  
Chief Financial Officer

**(Santosh Kumar Bajaj)**  
Director

**(Ms. Deepa)**  
Company Secretary

**Statement of Consolidated Profit and Loss for the year ended 31st March' 2021**

(Rs. In Lacs)

Particulars	Notes	31-Mar-21	31-Mar-20
<b>INCOME</b>			
Revenue from operations	26	14,689.90	16,200.83
Other income	27	110.10	139.31
<b>Total revenue</b>		<b>14,800.00</b>	<b>16,340.14</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	3,683.52	3,285.25
Purchase of traded goods		107.17	-
(Increase)/decrease in inventories	29	(212.98)	(137.15)
Employee benefit expenses	30	1,785.81	1,732.85
Finance costs	31	1,083.40	1,065.81
Depreciation and amortization expenses	32	604.64	640.99
Other expenses	33	7,359.15	9,612.09
<b>Total expenses</b>		<b>14,410.71</b>	<b>16,199.84</b>
<b>Profit before exceptional items and tax</b>		<b>389.29</b>	<b>140.30</b>
Exceptional items		-	(487.32)
<b>Profit / (Loss) before tax</b>		<b>389.29</b>	<b>627.62</b>
<b>Tax expenses</b>	34		
- Current tax		83.87	74.50
- Reversal of earlier period tax		-	-
- Deferred tax		70.27	(54.63)
<b>Total tax expenses</b>		<b>154.15</b>	<b>19.88</b>
<b>Profit / (Loss) for the year</b>		<b>235.14</b>	<b>607.74</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
impact of remeasurement of non - current investment		0.81	0.98
Re-measurement (losses) on Defined Benefit Plan		6.41	(19.36)
Deferred tax on above		2.01	5.11
<b>Other comprehensive income for the year, net of tax</b>		<b>5.21</b>	<b>(13.27)</b>
<b>Total comprehensive income for the year</b>		<b>240.36</b>	<b>594.47</b>
<b>Earnings per equity share (Face value of Rs. 10/- each)</b>	35		
Basic earning per share		1.06	2.74
Diluted earning per share		1.06	2.74

**Significant accounting policies and notes on accounts**

1 &amp; 2

The accompanying notes 1-55 are an integral part of the financial statements

As per our report of even date

**For P.K. Lakhani & Co.,**

Firm Registration No. 014682-N

Chartered Accountants,

**(CA. Sandeep Gulati)**

Partner

M.No. 509230

**Gurgaon, 29th June, 2021**
**For & on behalf of the Board of Directors**
**(Mukesh Kumar Shovasaria)**

Chief Executive Officer

**(Kamakhya Chamaria)**

Vice Chairman &amp; Managing Director

**(Rajesh Aggarwal)**

Chief Financial Officer

**(Santosh Kumar Bajaj)**

Director

**(Ms. Deepa)**

Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March' 2021

		(Rs. In Lacs)	
S.no.	Particulars	31-Mar-21	31-Mar-20
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit/ (Loss) before Tax and exceptional items	389.29	140.30
	Adjustment for:		
	Add : Depreciation & Misc. expenditure	604.64	640.99
	Interest & finance charges	1,083.40	1,065.81
	Operating Profit before working capital changes	2,077.33	1,847.10
	<u>Adjustment for change in :</u>		
	Trade Receivable	(189.08)	(48.38)
	Inventories	(470.86)	225.18
	Loans	(38.72)	0.00
	Other Assets	(124.90)	(129.01)
	Trade & other payable	(644.81)	(1,500.81)
	Other Liabilities and Provisions	298.75	(16.61)
	<b>Cash generated from Operations</b>	<b>907.70</b>	<b>377.46</b>
	Direct Taxes Paid	(83.87)	(74.50)
	Prior period adjustments / Exceptional Items	(50.31)	467.95
	<b>Net Cash Flow from operating activities</b>	<b>773.52</b>	<b>770.91</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	(Purchase)/ Sales of Property, plant and equipment	(1,134.69)	(1,561.75)
		<b>(1,134.69)</b>	<b>(1,561.75)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Increase in Long term Bank & Other borrowings	1,455.50	1,561.22
	Interest and finance charges paid	(1,083.40)	(1,065.81)
		<b>372.10</b>	<b>495.40</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>10.93</b>	<b>(295.44)</b>
	Add:- Opening Balance of cash & Cash Equivalents	173.71	469.14
	<b>Cash &amp; Cash Equivalents at the Closing of the year</b>	<b>184.64</b>	<b>173.71</b>

Note : Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

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

**For P.K. Lakhani & Co.,**  
Firm Registration No. 014682-N  
Chartered Accountants,

**(Mukesh Kumar Shovasaria)**  
Chief Executive Officer

**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director

**(CA. Sandeep Gulati)**  
Partner  
M.No. 509230  
**Gurgaon, 29th June, 2021**

**(Rajesh Aggarwal)**  
Chief Financial Officer

**(Santosh Kumar Bajaj)**  
Director

**(Ms. Deepa)**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended 31st March'21

**A. Equity Share Capital**
**(Rs. In Lacs)**

Particulars	Amount
<b>As at 01st April, 2019</b>	<b>2,216.00</b>
Changes in equity share capital	-
<b>As at 31st March, 2020</b>	<b>2,216.00</b>
Changes in equity share capital	-
<b>As at 31st March, 2021</b>	<b>2,216.00</b>

**B. Other Equity**

Particulars	Reserve and Surplus					Total Other equity
	Securities Premium	Capital Reserve	General Reserve	Consolidated Reserve/ (Goodwill)	Retained Earnings	
<b>Balance as at 01st April, 2019</b>	<b>1,514.40</b>	<b>38.19</b>	<b>433.02</b>	<b>(270.96)</b>	<b>7,009.22</b>	<b>8,723.85</b>
Profit for the year	-	-	-	-	607.74	607.74
Other comprehensive income/ (Loss) net of tax	-	-	-	-	(13.27)	(13.27)
<b>Balance as at 31st March, 2020</b>	<b>1,514.40</b>	<b>38.19</b>	<b>433.02</b>	<b>(270.96)</b>	<b>7,603.69</b>	<b>9,318.33</b>

Particulars	Reserve and Surplus					Total Other equity
	Securities Premium	Capital Reserve	General Reserve	Consolidated Reserve/ (Goodwill)	Retained Earnings	
<b>Balance as at 01st April, 2020</b>	<b>1,514.40</b>	<b>38.19</b>	<b>433.02</b>	<b>(270.96)</b>	<b>7,603.69</b>	<b>9,318.33</b>
Profit for the year	-	-	-	-	235.14	235.14
Rectification of prior period expenses	-	-	-	-	(56.72)	(56.72)
Other comprehensive income/ (Loss) net of tax	-	-	-	-	5.21	5.21
<b>Balance as at 31st March, 2021</b>	<b>1,514.40</b>	<b>38.19</b>	<b>433.02</b>	<b>(270.96)</b>	<b>7,787.33</b>	<b>9,501.97</b>

The accompanying notes 1-55 are an integral part of the financial statements

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

**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**(CA. Sandeep Gulati)**  
 Partner  
 M.No. 509230  
**Gurgaon, 29th June, 2021**

**(Rajesh Aggarwal)**  
 Chief Financial Officer

**(Santosh Kumar Bajaj)**  
 Director

**(Ms. Deepa)**  
 Company Secretary

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(Rs. In Lacs)

Particulars	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
At 31st March ,2020	13,533.32	2,508.63	445.27	13,674.21	102.88	289.87	112.44	88.41	30,755.03
Addition	183.11	-	-	80.59	4.25	16.21	2.21	2.33	288.71
Disposals	-	-	-	-	-	1.07	-	-	1.07
At 31st March ,2021	13,716.43	2,508.63	445.27	13,754.80	107.13	305.02	114.65	90.74	31,042.68
<b>Accumulated Depreciation</b>									
At 31st March ,2020	-	1,693.29	340.04	9,324.65	87.99	222.92	101.53	82.82	11,853.24
Charge for the year	-	74.08	9.92	479.33	3.54	19.23	3.33	2.75	592.19
Disposals/deductions/adjustment	-	-	-	-	-	0.62	-	-	0.62
At 31st March ,2021	-	1,767.37	349.96	9,803.99	91.54	241.54	104.86	85.57	12,444.81
<b>Net Carrying Value</b>									
At 31st March ,2020	13,533.32	815.34	105.23	4,349.56	14.89	66.95	10.91	5.59	18,901.79
At 31st March ,2021	13,716.43	741.26	95.31	3,950.81	15.60	63.48	9.79	5.17	18,597.86

Note : 3 (a) Intangible Assets

Particulars	Intangible Assets
At 31st March ,2020	70.37
Additions/ (Disposals)	-
At 31st March ,2021	70.37
<b>Accumulated Depreciation</b>	
At 31st March ,2020	56.46
charge for the year	13.55
Disposals/deductions/adjustment	-
At 31st March ,2021	70.01
<b>Net Carrying Value</b>	
At 31st March ,2020	13.91
At 31st March ,2021	0.36

(Rs. In Lacs)

<b>Note: 4 - Investments</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Investment in Others (Unquoted) - non current :</b>		
Investments in unquoted equity instruments at FVTPL		
<b>North East Power &amp; Infra Limited</b>	11.76	10.94
1,80,000 (1,80,000 as at 31.03.20) Equity Share of Rs 10 each fully paid up.		
<b>Total</b>	<b>11.76</b>	<b>10.94</b>
<b>Total non - current investments</b>		
Aggregate amount of Quoted investment	-	-
Aggregate amount of Unquoted investments	11.76	10.94
	<b>11.76</b>	<b>10.94</b>

<b>Note: 5 Other financial assets - Non Current</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Security deposits</b>		
Unsecured, considered good	394.82	279.84
	<b>394.82</b>	<b>279.84</b>

<b>Note: 6 - Deferred tax assets (net)</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Deferred Tax Assets</b>		
- MAT Credit entitlement / Disallowances of Expenses	645.73	710.58
- Impact of difference between tax depreciation and depreciation charged	5.25	6.21
- Staff Leave encashment and gratuity	6.90	12.77
- Tax effect of Other Comprehensive Income	5.48	7.49
	<b>663.37</b>	<b>737.05</b>
<b>Deferred Tax liability</b>		
- Impact of difference between tax depreciation and depreciation charged	256.93	257.20
- Staff Leave encashment and gratuity	0.10	1.23
	<b>257.04</b>	<b>258.43</b>
<b>Net deferred tax (assets)/liability</b>	<b>406.34</b>	<b>478.62</b>

<b>Note: 7 - Other non-current assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<u>Unsecured, Considered Good</u>		
Capital advances	708.85	732.26
	<b>708.85</b>	<b>732.26</b>

<b>Note: 8 - Inventories</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Raw Materials and components	327.62	183.50
Work - In - Progress	167.88	124.43
Finished Goods	397.09	228.42
Packing Material	75.52	46.72
Stores & Spares parts	1,082.67	996.85
	<b>2,050.79</b>	<b>1,579.93</b>

(Rs. In Lacs)

<b>Note: 9 - Trade receivables</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Secured Considered Good	193.08	166.71
Unsecured	1,346.39	1,183.68
<b>Total Trade receivables</b>	<b>1,539.48</b>	<b>1,350.39</b>

<b>Note: 10 - Cash and cash equivalents</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Cash in hand	49.76	23.81
Cheques in hand	5.27	-
Balance with Banks		
- In current accounts	129.60	149.89
	<b>184.64</b>	<b>173.71</b>

<b>Note: 11 - Other - Bank balances other than above</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months *	56.16	127.49
	<b>56.16</b>	<b>127.49</b>

<b>Note: 12 - Loans</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Loans and advances to related parties (Unsecured, Considered Good)	38.72	-
	<b>38.72</b>	<b>-</b>

<b>Note: 13 - Other financial assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Advances to employees	20.58	14.99
-Subsidies /incentives receivable from Govt.	2.20	2.20
	<b>22.77</b>	<b>17.19</b>

<b>Note: 14 - Other current assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Unsecured, considered good		
-Advances to suppliers	732.25	797.24
-Balances with statutory/government authorities	1,947.21	1,754.51
-Advances for services & expenses	46.74	56.16
-Others	12.66	33.85
-Advance income tax (net of tax provision)	2.18	0.21
	<b>2,741.04</b>	<b>2,641.96</b>

	(Rs. In Lacs)	
<b>Note: 15 - Equity share capital</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Authorised Capital</b>		
{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2020) of Rs. 10/- each}	2,500.00	2,500.00
<b>Issued, Subscribed, Called &amp; fully Paid -up shares</b>		
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.2020) of Rs. 10/- each, fully paid up.}	2,216.00	2,216.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

**Equity Shares**

	<u>No. of Shares</u>	<u>No. of Shares</u>
At the beginning of the year	22,160,000	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	<u>22,160,000</u>	<u>22,160,000</u>

**(b) Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.

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

**(c) Details of Shareholders holding more than 5% shares in the company**

<u>Name of the Shareholders</u>	<u>No. of Shares/ % of holding</u>	<u>No. of Shares/ % of holding</u>
Mrs. Bina Garodia	2,158,800 9.74%	2,159,800 9.75%
Sh. Prahlad Rai Chamaria	2,023,800 9.13%	1,984,800 8.96%
Sh. Santosh Kumar Bajaj	1,884,500 8.50%	1,884,500 8.50%
Sh. Mahendra Kumar Agarwal	1,475,780 6.66%	1,475,680 6.66%

<b>Note - 16 Other Equity</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Securities Premium Account</b>		
Opening Balance	1,514.40	1,514.40
Addition/(deduction) during the year	-	-
	<b>1,514.40</b>	<b>1,514.40</b>
<b>Capital Reverse Account</b>		
Opening Balance	38.19	38.19
Addition/(deduction) during the year	-	-
	<b>38.19</b>	<b>38.19</b>
<b>General Reserve</b>		
Opening Balance	433.02	433.02
Addition/(deduction) during the year	-	-
	<b>433.02</b>	<b>433.02</b>
<b>Consolidated Reserve / (Goodwill)</b>		
Opening Balance	(270.96)	(270.96)
Addition/(deduction) during the year	-	-
	<b>(270.96)</b>	<b>(270.96)</b>

(Rs. In Lacs)

<b>Retained Earnings</b>		
Opening Balance	7,603.69	7,009.22
Rectification of prior period expenses	(56.72)	-
Profit / (Loss) for the year	235.14	607.74
Add: Other comprehensive income/ (Loss) (net of taxes)	5.21	(13.27)
<b>Total Retained earnings</b>	<b>7,787.33</b>	<b>7,603.69</b>
<b>Total Other Equity</b>	<b>9,501.97</b>	<b>9,318.33</b>

**Nature and purpose of reserves :**

- (i) Securities Premium : At the time of Initial Public Offer, the excess of issue price of shares over the face value of shares issued, minus expenditure incurred on issuance of shares is treated as Securities Premium.
- (ii) Capital Reserve : During takeover, of other companies, the excess of consideration paid over Net assets taken is treated as capital reserve.
- (iii) General Reserve : The company had transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956.
- (iv) Retained Earnings : Retained Earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the the shareholders of the company.

<b>Note: 17 - Borrowings</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<u>Term loans (secured) - Refer notes below :</u>		
Rupee loans from banks	282.34	433.84
Working Capital Term loan from Banks (GECL Scheme)	588.96	-
Rupee loans from a financial institution	1,997.76	1,128.10
Rupee loan from body corporates	3,407.76	3,409.18
Loans from related parties (unsecured)	1,724.65	1,834.54
	-	-
<u>Other loans (secured)</u>		
- Hire purchase finance from banks	451.57	584.30
	<b>8,453.04</b>	<b>7,389.96</b>
Less: Current maturities of long term borrowings	(739.37)	(556.56)
	<b>7,713.68</b>	<b>6,833.41</b>

- (i) Term Loan of Rs. 282.34 Lakhs (Rs. 433.84 lakhs as at 31.03.2020) from bank is secured against hypothecation of all stocks of standing crops, harvested crops, receivables, book debts, plant & machineries and moveable fixed assets and other current assets of subsidiary Tea company. Further loan is secured by way of equitable mortgage of land and building of the company.
- (ii) WCTL Loan of Rs. 588.96 Lakhs under GECL Scheme is secured by way of Second charge on all the current assets of the parent and one subsidiary company, which were extended for taking existing credit facility of Rs. 3,000.00 Lakhs.
- (iii) Rupee Term Loans of Rs. 1,997.76 lakhs (Rs. 1128.10 lakhs as at 31.03.2020) from financial institution is consisting of RTL of Rs. 461.44 lakhs ( sanctioned amount Rs. : 800 Lakhs), Rs. 1,492.19 Lakhs (sanctioned amount : Rs. 1,600 lakhs) and Rs. 44.13 Lakhs from SPTF, Tea Board against plantation of Tea and Rubber. The loan is secured by first charge on fixed and immovable assets of company's assets on pari -passu basis and by second charge on fixed and immovable assets of the company . The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- (iv) Rupee term loan of Rs. 44.13 lakhs (Rs.55.38 lakhs as at 31.03.2020) from SPTF, Tea Board is secured by equitable mortgage second charge on the fixed assets including immovable properties of the company.
- (v) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within one to three years having varying date of payment.
- (vi) Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.

<b>Note: 18 Other financial liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Security Deposit	496.13	502.94
	<b>496.13</b>	<b>502.94</b>

(Rs. In Lacs)

<b>Note: 19 - Employee benefit obligations</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provisions for employee benefits		
- Leave encashment	31.75	30.13
- Gratuity	103.10	82.35
	<b>134.85</b>	<b>112.49</b>

<b>Note: 20 Other non current liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
-Advance Received for Capital Asset	592.50	-
- Deffered Government Grant Income	115.13	125.60
	<b>707.63</b>	<b>125.60</b>

<b>Note: 21 - Borrowings</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<i>Secured</i>		
Working capital facilities from banks		
- Cash credit limits	3,020.76	2,648.06
- Working capital term Loan (FITL)	-	499.22
	<b>3,020.76</b>	<b>3,147.28</b>

(a) Working Capital facilities of Rs. 3,020.76 lacs (Last year : Rs. 3,147.28 Lacs) from banks are secured by first charge on current assets of the company and first charge on the fixed assets of the company pari-passu basis with NEDFi, both present and future including mortgage of immovable assets. Working Capital facilities from banks have also been guaranteed by some of the Directors of the company.

<b>Note: 22 - Other financial liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Current maturities of long term borrowings	739.37	556.56
Interest accrued but not due on borrowings	30.62	39.05
Interest Accured and due on Borrowing	11.86	13.60
Other payables :		
-Selling and other expenses payable	143.76	40.83
-Salaries, Wages and Other Benefits to Staff Payable	117.16	41.10
-Other liabilities	226.21	191.60
	<b>1,268.99</b>	<b>882.74</b>

<b>Note: 23 - Employee benefit obligation</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provisions for employee benefits :		
-Leave encashment	11.94	11.26
-Gratuity	21.95	21.01
	<b>33.89</b>	<b>32.28</b>

<b>Note: 24 - Other current liabilities</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Deferred government grant	9.32	9.32
<b>Other payables</b>		
-Statutory liabilities	1,889.35	1,921.27
-Staff Credit	18.21	22.84
-Other Liabilities	18.37	19.04
Advances from customer	138.78	207.98
	<b>2,074.03</b>	<b>2,180.44</b>



<b>Note: 25 - Current tax liabilities (net)</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Provision for taxation (net of advance income tax)	24.55	29.63
	<b>24.55</b>	<b>29.63</b>

<b>Note: 26 - Revenue from operations</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Sale of products</b>		
Domestic Sale	14,347.58	16,127.30
<b>Other operating income</b>		
Others	342.32	73.52
<b>Revenue from operation</b>	<b>14,689.90</b>	<b>16,200.83</b>

<b>Note: 27- Other income</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Interest income on:-		
-Bank deposits	26.89	30.08
-Other Interest Income	0.74	0.60
-Interest on I.tax refund	-	15.87
-Amortisation of deferred income	10.47	10.47
-Other Non Operating income	72.01	82.30
	<b>110.10</b>	<b>139.31</b>

<b>Note: 28 - Cost of materials consumed</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Inventory at the beginning of the year	204.36	143.73
Add: Purchases	3,868.88	3,363.11
	4,073.24	3,506.85
Less :Inventory at the end of the year	389.72	204.36
Less : Inventories adjusted	-	17.24
<b>Cost of Materials Consumed</b>	<b>3,683.52</b>	<b>3,285.25</b>

<b>Note: 29 - (Increase)/decrease in inventories</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Inventories at the end of the year</b>		
Work -in -Progress	142.78	90.63
Finished Goods	423.68	262.85
	566.46	353.49
<b>Inventories at the beginning of the year</b>		
Work -in -Progress	90.63	8.44
Finished Goods	262.85	207.90
	353.49	216.34
<b>(Increase) /Decrease in inventories</b>	<b>(212.98)</b>	<b>(137.15)</b>

<b>Note: 30 - Employee benefit expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Salaries, Wages & other manpower expenses	1,582.39	1,606.53
Contribution to Provident and other funds	72.52	53.99
Gratuity Expenses	31.75	15.01
Staff welfare expenses	99.15	57.32
	<b>1,785.81</b>	<b>1,732.85</b>

**(Rs. In Lacs)**

<b>Note: 31 - Finance costs</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Interest expense		
-On Term loans	259.92	163.23
-On Working Capital	472.71	495.73
Other finance costs	350.77	406.86
	<b>1,083.40</b>	<b>1,065.81</b>

<b>Note: 32 - Depreciation and amortization expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Depreciation on tangible Assets	591.09	627.44
Amortisation of intangible Assets	13.55	13.55
	<b>604.64</b>	<b>640.99</b>

<b>Note: 33 - Other expenses</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Consumption of Stores & Spare parts	444.70	475.58
Power & Fuel	4,060.74	4,449.85
Rent	45.09	36.11
<u>Repairs &amp; Maintenance</u>		
- Building	102.34	46.80
- Plant & Machinery	103.91	117.99
- Others	31.02	48.07
Vehicle running, maintenance & hire charges	32.43	49.93
Equipment running, maintenance & hire charges	49.33	11.74
Printing, Stationery & Computer expenses	16.03	25.79
Material Handling & Freight Charges	62.87	113.09
Royalty & Other Govt. levies	242.17	252.76
Other Production Overheads	153.35	68.38
Travelling and Conveyance	41.86	63.84
Insurance Expenses	38.09	127.76
Rates & Taxes	64.11	14.68
Research & Development Expenses	-	0.14
Auditor's Remuneration	5.76	5.76
Sundry advances written off	100.80	124.76
Director's Remuneration	48.00	48.00
Central Excise & Education Cess demand/ PLA balance w/off.	173.32	606.58
Charity & Donation	24.77	41.84
Miscellaneous Expenses	211.00	210.00
Professional fees & Consultancy Expenses	11.30	49.97
Security Service Expenses	29.41	22.45
Outward transportation cost	995.85	2,304.51
Advertisement, Publicity & Sales Promotion Expenses	260.53	286.94
Telephone expenses	10.36	8.78
	<b>7,359.15</b>	<b>9,612.09</b>

**(34) Tax Expenses :**
**(Rs. In Lacs)**

<b>S. no.</b>	<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
(a)	<u>Current Tax:</u>		
	Current tax on profits for the year	83.87	74.50
(b)	<u>Deferred Tax:</u>		
	Deferred tax	70.28	(54.62)
	<b>Total Tax Expenses</b>	<b>154.15</b>	<b>19.88</b>

The Tax Rate used for the year 2020-21 and 2019-20 is the MAT of 16.692% (15%+Surcharge@ 7% + education cess 4%) payable on 'Adjusted Book Profits' under the Income - Tax Act, 1961.

**(35) Earnings per share:**

Earnings Per Share (EPS) for the year ended 31<sup>st</sup> March' 2021 is calculated as under:

(Rs. In Lacs)

		2020-2021	2019 - 2020
(a)	Profit / (Loss) attributable to Equity Shareholders of the company (In Lac Rs.)	235.14	607.74
(b)	The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS (In No.'s)	2,21,60,000	2,21,60,000
(c)	Face value per Ordinary Share.(In Rs.)	10.00	10.00
(d)	Earnings Per Share - Basic & Diluted (In Rs.)	1.06	2.74

**(36) Capital Commitments**

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to Rs. 145.45 Lacs (Rs. 849.60 Lacs as at 31<sup>st</sup> March' 2020)

**(37) Contingent liabilities not provided for:**

- (a) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 943.64 Lacs ( Rs. 1,083.84 Lacs as at 31<sup>st</sup> March' 2020)
- (b) Claims against the company not acknowledged as debts: Disputed demands of Entry – tax / Revenue/ other matters pending before the Appellate Authorities: Rs. 905.32 Lacs (Rs. 582.55 Lacs as at 31<sup>st</sup> March' 2020)
- (c) Fixed Deposit Receipts pledged with the banks / others: Rs. 76.96 Lacs (Rs. 139.94 Lacs as at 31<sup>st</sup> March' 2020)

**(38) Payment made to Auditor's during the year ended is as under: -**

(Rs. in Lacs)

Particulars	31-Mar-21	31-Mar-20
a. Statutory Audit fees	5.06	5.06
b. Tax - Audit fees	0.50	0.50
c. Company Law and other matters	0.25	0.25
Total	5.81	5.81

**(39)** The company has not received any information from suppliers regarding their status of registration under Micro, Small and Medium Enterprises Development Act, 2006 and as such it is presumed that they are not registered under the Act. So, based on the information/ documents available with the company, information required to be disclosed as per the requirement of Section 16, Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are Nil.

**(40) Assets pledged as Security:** The carrying amount of assets pledged as security for borrowings of Group are as under:

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
(I) First charge on Current Assets :		
(i) Inventory	2,043.30	1,575.48
(ii) Trade Receivable	1,539.48	1,350.39
(iii) Cash and cash equivalents	163.68	158.17
(iv) Other bank balances	56.16	127.49
(v) Loans/ other financial assets	51.97	10.69
(vi) Other current assets	2,684.23	2,573.11
<b>Total Current assets</b>	<b>6,538.82</b>	<b>5,795.33</b>
(II) First charge on Non – Current Assets :		
(i) Property, plant and equipments	18,400.75	19,759.41
<b>Total Non -Current assets</b>	<b>18,400.75</b>	<b>19,759.41</b>
<b>Total Assets pledged as security</b>	<b>24,939.57</b>	<b>25,554.74</b>

**(41) Employees benefit obligations:**
**a) Defined contribution plans:**

The Company makes contribution towards employees' provident fund and labour welfare fund schemes. Under these schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of these schemes, to these defined contribution schemes. During the year, the Company recognised Rs. 72.52 Lacs (Rs. 53.99 Lacs as at 31st March, 2020) as expense towards contribution to these plans and included in "Employee benefit expenses" in Note 30 to the financial statements.

**b) Defined benefit plans:**
**(i) Leave encashment:**

Under leave encashment scheme, the company allows its employees to en-cash accumulated leave over and above thirty days at any time during the year. So, accumulated leave encashment liability for up to 30 days period is classified as non-current liability and over the period of 30 days is covered under current liability. Earned Leave liability at year end are as follows :

(Rs. in Lacs)

		31-Mar-21	31-Mar-20
A	Current Liability (Amount Due within one year)	11.94	11.26
B	Non-Current Liability (Amount Due over one year)	31.75	30.13
	<b>Total amount of Leave Encashment</b>	<b>43.69</b>	<b>41.39</b>

**(ii) Gratuity:**

The Company has a defined benefit gratuity plan, wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The gratuity benefits are payable after five years of continuous service by the employee. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(Rs. In Lacs)

<b>Particulars</b>	<b>Present value of obligation</b>	<b>Net amount</b>
<b>Opening as on 01<sup>st</sup> April' 2019</b>	<b>68.10</b>	<b>68.10</b>
Current Service Cost	9.59	9.59
Interest expenses/ (income)	6.09	6.09
Actuarial (gain) / loss (OCI)	19.36	19.36
Re- assessment of transfer obligations	(0.67)	(0.67)
<b>Total amount recognized in profit and loss (including OCI)</b>	<b>34.37</b>	<b>34.37</b>
Benefits paid	(1.55)	(1.55)
Disposal / Transfer of obligation	2.44	2.44
<b>Closing as on 31<sup>st</sup> March' 2020</b>	<b>103.36</b>	<b>103.36</b>

<b>Particulars</b>	<b>Present value of obligation</b>	<b>Net amount</b>
<b>Opening as on 01<sup>st</sup> April' 2020</b>	<b>103.36</b>	<b>103.36</b>
Current Service Cost	12.57	12.57
Interest expenses/ (income)	7.72	7.72
Actuarial (gain)/ loss (OCI)	(6.41)	(6.41)
Re- assessment of transfer obligations	11.46	11.46
<b>Total amount recognized in profit and loss (including OCI)</b>	<b>25.34</b>	<b>25.34</b>
Benefits paid	(3.65)	(3.65)
<b>Closing as on 31<sup>st</sup> March' 2021</b>	<b>125.05</b>	<b>125.05</b>

		31-Mar-21	31-Mar-20
A	Current Liability (Amount Due within one year)	21.95	21.01
B	Non-Current Liability (Amount Due over one year)	103.10	82.35
	<b>Total Gratuity liability amount</b>	<b>125.05</b>	<b>103.36</b>

The significant actuarial assumptions were as follows:

Particulars	31-Mar-21	31-Mar-20
<b>Discount Rate</b>	<b>6.70 %</b>	6.88 %
Salary Escalation	5.00 %	5.00 %
Withdrawal Rate (depending on age)	2% to 5%	2% to 5%
Retirement Age	58	58
Mortality Rate	IALM (2012-2014) table	IALM (2012-2014) table

Sensitivity analysis of the defined benefit obligations are here as under :

(Rs. in Lacs)

<b>a) Impact of the change in discount rate :</b>		
(i)	Impact due to increase of 0.50%	(4.36) Decrease
(ii)	Impact due to decrease of 0.50%	4.65 Increase
<b>b) Impact of the change in Salary increase :</b>		
(i)	Impact due to increase of 0.50%	4.71 Increase
(ii)	Impact due to decrease of 0.50%	(4.45) Decrease

**(iii) Risk Exposure:**

Through its defined benefit plans the Company is exposed to a number of risks, significant of which are as follows:

- Investment risk: If the plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Life Expectancy: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
- Salary growth risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability. Any variation in salary increase rate assumption in future valuations will also increase the liability.

**(42) - Financial instruments by category**

(Rs. in Lacs)

Particulars	31-Mar-21			31-Mar-20		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial Assets :</b>						
Investment in equity instruments	-	11.76	-	-	10.94	-
Trade Receivables	-	-	1,539.48	-	-	1,350.39
Cash and cash equivalents	-	-	184.64	-	-	173.71
Balance with banks	-	-	56.16	-	-	127.49
Loans	-	-	38.72	-	-	--
Other financial assets	-	-	417.59	-	-	297.02
	-	<b>11.76</b>	<b>2,236.59</b>	-	<b>10.94</b>	<b>1,948.61</b>
<b>Financial Liabilities :</b>						
Borrowings	-	-	10,734.44	-	-	9,980.69
Security Deposit	-	-	496.13	-	-	502.94
Trade payable	-	-	1,907.09	-	-	2,425.38
Salary and Bonus to employees	-	-	117.16	-	-	41.10
Other Liabilities	-	-	1,151.83	-	-	841.64
	-	-	<b>14,406.65</b>	-	-	<b>13,791.75</b>

**i) Fair value hierarchy**

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

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

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

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

**ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the financial instruments is determined using Net Worth method.

**iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements**

(Amount in Lacs)

Particular	31-Mar-21			31-Mar-20		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	-	-	11.76	-	-	10.94
<b>Total financial assets</b>	-	-	11.76	-	-	10.94

**iv) Fair value of financial assets and liabilities measured at amortized cost**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values.

**(43) - Capital management**

(a) Risk Management : The Group's objective when managing capital are to :

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend to shareholders, return capital to shareholders or issue new shares.

(b) Dividend: During the year, management of the parent or subsidiary companies has decided not to declare any dividend and accumulated its profits for future projects and consolidates its operating efficiency.

**(44) Related Party disclosures:**

<b>Enterprises owned or significantly influenced by Key management Personal (KMP)</b>	<b>Nature of relationship</b>
Valley Strong Cements Ltd.	Enterprises influenced by KMP.
North East Power & Infra Ltd.	Enterprises influenced by KMP.
Om Infracon Pvt. Ltd.	Enterprises influenced by KMP.
Om North East Projects Pvt. Ltd.	Enterprises influenced by KMP.
Plascom Industries, LLP	Enterprises influenced by KMP.
Neelachal Marketing Pvt. Ltd.	Enterprises influenced by KMP.
Meghalaya Cements Ltd.	Enterprises influenced by KMP.
LKC Industries & Infra Pvt. Ltd.	Enterprises influenced by KMP.
Goombira Green Pvt. Ltd.	Enterprises influenced by KMP.
Dony Power & Infra, LLP	Enterprises influenced by KMP.
Dony Polo Udyog Ltd.	Enterprises influenced by KMP.

<b>(II) Key Management Personnel and their relatives:</b>	
Sh. Kamakhya Chamaria	Vice Chairman and Managing Director
Sh. Santosh Kumar Bajaj	Director
Sh. Mahendra Kumar Agarwal	Vice Chairman & Non Executive Director
Sh. Gaurav Tulshyan	Director in Subsidiary
Sh. Tanuj Chamaria	Son of Sh. Kamakhya Chamaria, Vice Chairman and Managing Director
Sh. Mukesh Kumar Shovasaria	Chief Executive Officer
Mr. Rajesh Aggarwal	Chief Financial Officer

Mrs. Manisha Mahana Ms. Deepa	Company Secretary (w.e.f. 26.08.20 to 11.11.20) Company Secretary (w.e.f. 12.11.2020)
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Details of transactions between the company and related parties are as under:

S. no.	Type of Transaction	(Rs. In Lacs)			
		Associates & Other Enterprises influenced by KMP		Key Management Personnel / Relatives	
		2020-21	2019-20	2020-21	2019-19
1	Sale of Stores, spares, goods and other services: : North East Power & Infra Ltd. : LKC Industries & Infra Pvt. Ltd.	133.72 8.79	- -		
2	Purchase of Raw Material, goods/ services: : North East Power & Infra Ltd. : Dony Power & Infra LLP : Meghalaya Cements Ltd. : Plascom Industries, LLP	962.45 2.72 223.64 502.65	752.24 - 163.22 492.81		
3	Loan & Advances taken / (Repayment) : : Dony Polo Udyog Ltd. : Om Infracon Pvt. Ltd. : LKC Industries & Infra Pvt. Ltd. : Om North East Projects Pvt. Ltd. : Neelachal Marketing Pvt. Ltd. : Sh. Kamakhya Chamaria : Sh. Mahendra Kumar Agarwal	- (8.00) (83.14) (49.50) (145.36)	(48.05) (34.14) 79.68 (123.45) 102.52	(12.73) (93.00)	47.54 960.50
4	Loans/ Advances given/ (Repayment) : : Goombira Green Pvt. Ltd. : Valley Strong Cement Ltd. : North East Power & Infra Ltd.	38.72 (1.20) -	- 0.02 22.50		
5	Interest paid /credited : : Dony Polo Udyog Ltd. : Om Infra Con Pvt. Ltd. : Om North East Projects Pvt. Ltd. : Neelachal Marketing Pvt. Ltd. : LKC Industries & Infra Pvt. Ltd. : Sh. Kamakhya Chamaria	15.07 14.57 1.76 7.62 7.35	17.71 17.62 7.27 12.80 5.67	11.23	8.54
6	Remuneration paid to Directors and their relatives : : Sh. Kamakhya Chamaria : Sh. Tanuj Chamaria : Sh. Gaurav Tulshyan			48.00 28.03 1.35	48.00 28.81 6.04
7	Remuneration paid to Key Management personnel / their relatives : : Sh. Mukesh Kumar Shovasaria : Sh. Rajesh Aggarwal : Mrs. Manisha Mahana : Miss.Deepa			25.66 20.25 0.36 1.50	25.65 22.19 - -

8	<b>Balance Outstanding :</b>				
	(a) Loan taken				
	: Om Infra Con Pvt. Ltd.	216.13	210.66		
	: Om North East Projects Pvt. Ltd.	0.00	47.88		
	: Dony Polo Udyog Ltd.	181.42	167.48		
	: LKC Industries & Infra Pvt. Ltd.	38.18	121.33		
	: Neelachal Marketing Pvt. Ltd.	59.56	212.53		
	: Sh. Kamakhya Chamarla			116.85	129.58
	: Sh. Mahendra Kumar Agarwal			1,112.50	1,205.50
	(b) Loan given :				
	: Valley Strong Cement Ltd.	-	1.20		
	(c) Trade Payables / (Advances given):				
	: North East Power & Infra Ltd.	385.31	-		
	: Meghalaya Cement Limited	9.18	(0.53)		
	: Plascom Industries, LLP	196.85	115.09		

**(45) Financial risk management:**

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

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

Risk	Exposure arising from	Management
<b>Credit risk</b>	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost.	Diversification of customer base
<b>Liquidity risk</b>	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
<b>Market risk – interest rate</b>	Long-term borrowings at fixed rates	Portfolio of loan contains fixed interest loans from financial institutions & others.

**(a) Credit Risk:**

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

- (i) **Trade receivables:** Customer credit risk is managed by the company through its established policy, procedures and control relating to customer credit risk management. Trade receivables are non interest bearing and are generally carrying 30-45 days credit term. Outstanding debtors are regularly monitored by the sales and collection team of the company. Further the company receives security deposits from its customers which mitigate the credit risk. The ageing of trade receivables as of balance sheet date is as below:

**(Rs. In Lacs)**

Particulars	Less than 6 months	More than 6 months and up to 1 year	More than 1 year	Total Net carrying amount of trade Receivables
As on 31 <sup>st</sup> March, 2021	1,288.27	47.00	204.21	1,539.48
As on 31 <sup>st</sup> March, 2020	856.70	115.86	377.83	1,350.39

- (ii) **Financial instruments and deposits:** Credit risk from balance with banks and financial institutions is managed by the finance department of the company. Investments of surplus funds are made only with approved counterparties in accordance with the company's policy. Loans are given to body corporate as per the company policy and the receipt of repayment are reviewed on regular basis. Other financial assets are considered to be of good quality and there is no significant risk.
- (b) **Liquidity Risk:** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Due to the nature of the underlying business, the company maintains sufficient cash and liquid investments available to meet its obligation. Management of the company regularly monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The company had access to the working capital facilities from the bank amounting Rs. 3,150.00 Lacs (Outstanding balance Rs. 3,020.76 Lacs as at 31<sup>st</sup> March'2021) which are expiring in one year, subject to the renewal of the same by the banking authorities. A part from



the working capital facility, company has also following outstanding borrowings from banks and financial institutions:

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
Borrowings	5,257.34	2,146.24
Due within next one year (out of above)	739.37	556.56

- (c) **Interest rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As the company's borrowings except borrowing from market are fixed rate borrowings; they are carried out at amortised cost and are not subject to interest rate risk as defined in Ind AS 107.

The exposure of the company's financial liability to interest rate risk is as follows:

(Rs. In Lacs)

Particulars	31-Mar-21	31-Mar-20
Variable rate(market) borrowing	3,195.70	5,243.72
Fixed rate borrowings	5,257.34	2,146.24
Total	8,453.04	7,389.96

**(46) Segment Report :**

Particulars	2020-21			2019-20		
	Cement	Unallocated	Total	Cement	Unallocated	Total
<b>Revenue (Gross)</b>						
External Sales	13,281.96	1,407.94	14,689.90	15,496.98	703.85	16,200.83
Inter Segment Sales	-	-	-	-	-	-
<b>Total Revenue (Gross)</b>	<b>13,281.96</b>	<b>1,407.94</b>	<b>14,689.90</b>	<b>15,496.98</b>	<b>703.85</b>	<b>16,200.83</b>
<b>Results</b>						
Segment Result	1,245.19	226.64	1,471.83	1,171.11	37.55	1,208.66
Unallocated Expenses / (Incomes) Net	-	-	(0.86)	-	-	2.55
<b>Operating Profit</b>			<b>1,472.69</b>			<b>1,206.11</b>
Interest & Finance Charges	805.49	277.91	1,083.40	773.85	291.96	1,065.81
Exceptional Items			-			(487.32)
Provision for Taxation	-	-	83.87	-	-	74.50
Income Tax reversal for earlier years	-	-	-	-	-	-
Deferred Tax (net)	-	-	70.28	-	-	(54.62)
<b>Net Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>235.14</b>	<b>-</b>	<b>-</b>	<b>607.74</b>
<b>Other Information</b>						
Segment Assets	19,342.97	9,756.61	29,099.58	18,517.06	9,289.45	27,806.51
Unallocated/ Other Assets	-	-	-	-	-	-
Total Assets	19,342.97	9,756.61	29,099.58	18,517.06	9,289.45	27,806.51
Segment Liabilities	13,763.84	3,617.77	17,381.61	11,856.04	4,416.14	16,272.18
Unallocated/ Other Liabilities	-	-	-	-	-	-
Total Liabilities	13,763.84	3,617.77	17,381.61	11,856.04	4,416.14	16,272.18
Capital Expenditure	16.71	270.93	287.64	590.15	(48.41)	541.74
Depreciation	540.84	63.79	604.64	566.25	74.74	640.99

**(47) Maturities of financial liabilities:**

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

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

<b>Contractual maturities of financial liabilities-31 March, 2021</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing including Interest Amount	3,020.76	6,081.42	1,632.26	-	10,734.44
Trade payables	1,907.09	-	-	-	1,907.09
Other payables	1,268.99	496.13	-	-	1,765.12
<b>Total financial liabilities</b>	<b>6,196.84</b>	<b>6,577.55</b>	<b>1,632.26</b>	<b>-</b>	<b>14,406.65</b>

<b>Contractual maturities of financial liabilities-31 March, 2020</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing including Interest Amount	3,147.28	6,833.41	-	-	9,980.69
Trade payables	2,425.38	-	-	-	2,425.38
Other payables	882.74	502.94	-	-	1,385.68
<b>Total financial liabilities</b>	<b>6,455.40</b>	<b>7,336.35</b>	<b>-</b>	<b>-</b>	<b>13,791.75</b>

(48) Additional information pursuant to Schedule -III to the Companies Act, 2013 are as under:

<b>Particulars</b>	<b>Net assets (total assets minus liabilities)</b>		<b>Share in Profit or Loss</b>		<b>Other Comprehensive Income/ (Loss)</b>		<b>Total Comprehensive Income (Loss)</b>	
	<b>% of Consolidated Net Assets</b>	<b>Rs. In Lacs</b>	<b>% of Consolidated Profit or Loss</b>	<b>Rs. In Lacs</b>	<b>% of Consolidated OCI</b>	<b>Rs. In Lacs</b>	<b>% of Consolidated TCI</b>	<b>Rs. In Lacs</b>
<b>Holding Company :</b>								
Barak Valley Cements Ltd.	43.81%	5,133.61	134.81%	317.00	100%	5.21	134.05	322.21
<b>Subsidiary Companies :</b>								
1. Cement International Ltd.	3.80%	445.52	-13.23%	(31.11)	-	-	(12.94)	(31.11)
2. Badarpur Energy Pvt. Ltd.	2.92%	342.36	-6.06%	(14.26)	-	-	(5.93)	(14.26)
3. Meghalaya Minerals & Mines Ltd.	-1.26%	(147.46)	4.75%	11.17	-	-	4.65	11.17
4. Goombira Tea Co. Ltd.	20.61%	2,415.52	33.82%	79.51	-	-	33.08	79.51
5. Singlacheera Tea Co. Pvt. Ltd.	8.79%	1,030.43	-27.81%	(65.38)	-	-	(27.20)	(65.38)
6. Chargolla Tea Co. Pvt. Ltd.	5.32%	622.84	-26.28%	(61.79)	-	-	(25.71)	(61.79)
7. Valley Strong Cement (Assam) Ltd.	16.00%	1,875.15	0.00%	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>11,717.97</b>	<b>100%</b>	<b>235.14</b>	<b>100%</b>	<b>5.21</b>	<b>100%</b>	<b>240.35</b>

(49) The Operations of 'Badarpur Energy Pvt. Ltd.' a wholly owned subsidiary was discontinued since last more than five years due to lesser availability of required quality /quantity of biomass and still it is lying stopped. The Board of Directors of the Company has constituted a Committee to study and analyze the viability of the Plant and for deciding the future course of action. The company is confident to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

(50) The business operations of another subsidiary "Cement International Ltd.' were halted since June' 2016; which indicates the factors for impairment of assets. The company reviewed its carrying cost of assets on the basis of future earnings and business plans and on such review; management is of the view that in the current financial year impairment of assets is not considered necessary.

(51) The information about Group's Subsidiaries and the proportion of ownership interests held by the Group as at 31st March' 2021 is as below:

<b>Name of the Subsidiary</b>	<b>Place of business and country of incorporation</b>	<b>Ownership Interest held by the group</b>		
		<b>31<sup>st</sup> March' 2021</b>	<b>31<sup>st</sup> March' 2020</b>	<b>Principal activities</b>
Cement International Ltd.	India	100%	100%	Cement manufacturing
Valley Strong Cement (Assam) Ltd.	India	100%	100%	Cement manufacturing
Meghalaya Minerals & Mines Ltd.	India	100%	100%	Extraction, Crushing of Lime stone.
Badarpur Energy Pvt. Ltd.	India	100%	100%	Power generation.
Goombira Tea Co. Ltd.	India	100%	100%	Manufacturing and Growing of Tea, Rubber.
Singlacheera Tea Co. Pvt. Ltd.	India	100%	100%	Tea, Rubber plantation.
Chargolla Tea Co. Pvt. Ltd.	India	100%	100%	Tea, Rubber plantation.

- (52) The operations of parent company as well as subsidiaries were partially impacted, as there has been disruptions to regular operations due to lock down, disruptions in transportations, supply chains, travel bans, quarantines and other emergency measures. All the Group companies have made detailed assessment of its liquidity position for the next few months and the recoverability and carrying value of its property, plant and equipment, loans and other assets, intangible assets, right of use assets, investments, inventories and trade receivables and based on the current indicators of future economic conditions as well as internal and external information up to the date of approval of these financial statements, it is expected to recover the carrying amount of these assets and no material adjustments are required to be made in the financial results. The management does not foresee any risks in the Group's ability to continue as going concern and meeting its liabilities as and when they fall due. It will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- (53) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.
- (54) The financial statements are approved by the Audit Committee at its meeting held on 29th June' 2021 and by the Board of Directors on the same date.
- (55) Notes to the Consolidated Financial Statements comprised of information relevant for the Group.

In terms of our report of even date

**For P.K. Lakhani & Co.,**

Firm Registration No. 014682-N  
Chartered Accountants,

**(CA. Sandeep Gulati)**

Partner  
M.No. 509230

**Gurgaon, 29th June, 2021**

**(Mukesh Kumar Shovasaria)**

Chief Executive Officer

**(Rajesh Aggarwal)**

Chief Financial Officer

**(Ms. Deepa)**

Company Secretary

**For & on behalf of the Board of Directors****(Kamakhya Chamaria)**

Vice Chairman & Managing Director

**(Santosh Kumar Bajaj)**

Director

Statement containing salient features of financial statements of Subsidiary as per first proviso to Section 129 (3) of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 for the year ended 31st March' 2021

S. No.	Name of Subsidiary Company (all Indian Subsidiary)	Cement International Ltd.	Meghalaya Minerals & Mines Ltd.	Badarpur Energy Pvt. Ltd.	Valley Strong Cements (Assam) Ltd.	Goombira Tea Company Ltd.	Chargola Tea Company Pvt. Ltd.	Singlacherra Tea Company Pvt. Ltd.
1	Reporting period for the subsidiary concerned, if different from holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Reporting currency and exchange rate as on the last date of the relevant Financial year in each case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Share Capital	99.27	149.00	496.33	47.43	66.66	7.42	8.75
4	Reserves & Surplus	969.09	382.37	(649.07)	1,818.18	1,794.52	480.00	661.13
5	Total Assets	1,135.50	1,848.38	361.56	1,879.53	4,603.99	834.01	1,381.38
6	Total Liabilities	67.14	1,317.01	514.30	13.92	2,742.81	346.59	711.50
7	Investments (excluding investment in subsidiary companies)	--	--	--	--	--	--	--
8	Turnover (gross)	-	977.30	--	--	1,103.09	54.32	92.47
9	Profit/ (Loss) before Taxation	(29.77)	11.51	(14.26)	--	79.51	(61.79)	(65.38)
10	Provision for Taxation/ Deferred Tax	1.34	0.34	-	--	-	-	-
11	Profit/ (Loss) after Taxation	(31.11)	11.17	(14.26)	--	79.51	(61.79)	(65.38)
12	Proposed Dividend	--	--	--	--	--	--	--
13	% of Shareholding	100%	100%	100%	100%	100%	100%	100%

**Note:** Valley Strong Cements (Assam) Ltd., a subsidiary of the Company, is yet to commence its operations

As per our report of even date  
**For P.K. Lakhani & Co.,**  
 Firm Registration No. 014682-N  
 Chartered Accountants,

**(CA. Sandeep Gulati)**  
 Partner  
 M.No. 509230  
**Gurgaon, 29th June, 2021**

**(Mukesh Kumar Shovasaria)**  
 Chief Executive Officer

**(Rajesh Aggarwal)**  
 Chief Financial Officer

**(Ms. Deepa)**  
 Company Secretary

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

**(Kamakhya Chamaria)**  
 Vice Chairman & Managing Director

**(Santosh Kumar Bajaj)**  
 Director



## **BARAK VALLEY CEMENTS LIMITED**

Debendra Nagar, Jhoombasti, P.O. Badarpurghat, Badarpurghat,

Distt. Karimganj, Assam-788803 Phone: 03843-269258/881,

Fax: 91-3843-268965, Website: [www.barakcement.com](http://www.barakcement.com)

CIN: L01403AS1999PLC005741