

# **Annual Report 2017-2018**

## **Composition of Board:**

Mr. Kamakhya Chamaria Vice Chairman and Managing Director

Director

Mr. Mahendra Kumar Agarwal Vice Chairman

Mr. Santosh Kumar Bajaj Director
Mr. Bijay Kumar Garodia Director
Mr. Prahlad Rai Chamaria Director
Mr. B. P. Bakshi Director
Mr. D. R. Agarwal Director
Mr. Ramesh Chandra Bajaj Director

Mrs. Renu Keiriwal Director

## **Company Secretary**

Ms. Saakshi Manchanda

Mr. Vishal More

#### Auditor

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

## **Bankers and FIs**

IDBI Bank Ltd.

North Eastern Development Finance Corporation (NEDFi)

### Offices: Works:

Regd. Office: Debendranagar,
202, Royal View, Jhoom Basti,
B.K. Kakoti Road, Badarpurghat,
Ulubari, Guwahati, Distt. Karimganj,
Assam-781007 Assam-788803

## Corp. Office: Branches:

281, Deepali, 1. Bharat Trade Building, Pitampura, Shyama Prasad Road, Delhi-110034 Silchar, Assam

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

## **Contents**

| S.No                              | Particulars  | Page No. |  |  |  |
|-----------------------------------|--|----------|--|--|--|
| 1.                                | Directors' Report Management Discussion & Analysis Report          | 01       |  |  |  |
| 2.                                | Corporate Governance Report  | 30       |  |  |  |
| 3.                                | Auditor's Report   | 55       |  |  |  |
| 4.                                | Balance Sheet  | 61       |  |  |  |
| 5.                                | Profit & Loss Account  | 62       |  |  |  |
| 6.                                | Cash flow Statement  | 63       |  |  |  |
| 7.                                | Notes to Financial Statements                                      | 64       |  |  |  |
| Consolidated Financial Statements |  |          |  |  |  |
| 1.                                | Independent Auditor's Report for Consolidated Financial Statements | 92       |  |  |  |
| 2.                                | Consolidated Balance Sheet   | 97       |  |  |  |
| 3.                                | Consolidated Profit & Loss Account                                 | 98       |  |  |  |
| 4.                                | Consolidated Cash Flow Statements                                  | 99       |  |  |  |
| 5.                                | Notes to Consolidated Financial Statements                         | 100      |  |  |  |
| 6.                                | Information with regard to Subsidiary Companies                    | 129      |  |  |  |

Website: www.barakcement.com



## **DIRECTORS' REPORT**

To The Members, Barak Valley Cements Limited

The Directors of your Company are pleased to present the 19<sup>th</sup> Annual Report together with the Company's Audited Financial statements (Standalone and Consolidated) for the Financial Year ended 31<sup>st</sup> March 2018.

### 1. FINANCIAL RESULTS

The highlights of the financial performance of the Company for the financial year ended 31st March, 2018 as compared to the previous financial year are as under:

(Rs. in lakhs)

|  | Standalone                           |                                   | Consolidated                      |                                   |
|--|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars  | Year Ended as at<br>31st March, 2018 | Year Ended as at 31st March, 2017 | Year Ended as at 31st March, 2018 | Year Ended as at 31st March, 2017 |
| Revenue from Operations (net)  | 15178.64                             | 12416.51                          | 15949.97                          | 13189.00                          |
| Other Income   | 70.29                                | 92.99                             | 59.57                             | 65.76                             |
| Total Sales & other Income   | 15248.93                             | 12509.50                          | 16009.54                          | 13254.76                          |
| Income before Finance cost, Depreciation and Amortization and Income tax | 1885.64                              | 1092.14                           | 1873.02                           | 1187.80                           |
| Less: Depreciation and Amortization expenses                             | (601.74)                             | (291.93)                          | (716.62)                          | (438.18)                          |
| Profit before Interest and Income Tax                                    |                                      |                                   |                                   |                                   |
| Less: Finance Cost   | (929.88)                             | (541.34)                          | (1344.85)                         | (934.64)                          |
| Profit/(Loss) before Income Tax  | 354.02                               | 258.87                            | (188.45)                          | (185.03)                          |
| Less: Provision for Income tax   |                                      |                                   |                                   |                                   |
| -Earlier year provisions written back                                    | -                                    | -                                 | (31.90)                           | -                                 |
| -Current Income Tax  | 73.07                                | 54.88                             | 73.07                             | 54.88                             |
| -Deferred Tax liability/(Assets)   | (1.97)                               | 53.60                             | (1.50)                            | 33.13                             |
| Profit/Loss After tax  | 282.91                               | 150.39                            | (228.12)                          | (273.04)                          |

## INDIAN ACCOUNTING STANDARDS

As per notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2017. Accordingly, Financial statements for the year ended 31st March, 2017 have been restated to conform to Ind AS. The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts in both the Standalone and Consolidated Financial Statements.

## 2. 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 Tea Cultivation lines through its subsidiaries.

All of these Business activities are carried out by the Company in the North East Region. The financials of your Company along its subsidiaries had already been mentioned in 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.

Cement International Limited is engaged in the business of manufacturing of Cement. During the year under review the Company gross revenue was NIL.

Badarpur Energy Private Limited, wholly owned subsidiary of your Company is currently not operational.

Meghalaya Minerals and Mines Limited is engaged in the business of extraction of Minerals. During the under review the Company gross revenue was Rs. 1161.29 lakhs.

Singlacherra Tea Company Private Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs. 65.62 lakhs.

Goombira Tea Company Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs. 444.04 lakhs.

Chargola Tea Company Private Limited is engaged in the business of extraction Tea leaves. During the year under review the Company gross revenue was Rs 11.01 lakhs.

Valley Strong Cements (Assam) Limited, wholly owned subsidiary of your Company has not commenced its commercial production.

The annual accounts of the subsidiary companies will also be kept open for inspection at the Head Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

Your Company has formulated a policy for determining material subsidiaries and is available at the Website of the the below mentioned link:

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

The statement containing the salient features of the financial statements of subsidiaries in pursuant to the proviso of subsection (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.

Your Company does not have any Associate or Joint Venture.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, applicable accounting standards and provisions of the Listing Regulations forms part of the Annual Report.

The detailed financial statements and audit reports of each of the subsidiaries of the Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. The Company will arrange to send the financial statements of the subsidiaries upon written request from a shareholder to the registered address of the said shareholder.

## 5. CHANGES IN CAPITAL STRUCTURE

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.

As at 31<sup>st</sup>March, 2018 the paid-up capital of the Company was Rs. 22,16,00,000/- divided into 2,21,60,000 Equity Shares of Rs. 10/- each and there was no change in capital structure of your Company during the year under report.



#### 6. OPERATIONS

#### 5.1 Standalone

The Standalone turnover of the Company stood at Rs. 15178.64 Lakhs during the year 2017-18, which has been increased in comparison to previous year turnover of Rs. 12416.51 Lakhs. Your Company has earned a Profit of Rs. 282.91 Lakhs during the financial year 2017-18, in comparison with the previous year profit of Rs. 150.39 Lakhs.

#### 5.2 Consolidated

During the year 2017-18 the consolidated revenue from operations has been increased to Rs. 15949.97 Lakhs as compared to Rs. 13189.00 Lakhs in the period 2016-17. The consolidated loss has also decreased from Rs. (279.26) Lakhs in 2016-17 to Rs. (227.92) Lakhs during the financial year 2017-2018.

## 7. DIVIDEND

The Board of Directors after considering the performance of the Company for the Financial Year 2017-18 have decided to not to recommend dividend this financial year 2017-2018.

## 8. PUBLIC DEPOSITS AND BUY BACK OF SHARES

During the period under review, 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 was outstanding as on 31<sup>st</sup> March, 2018.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31st March, 2018.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements as prescribed in the Annual Report.

### 10. TRANSFER TO RESERVES

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

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

There has been no such material change(s) and commitment(s) incurred during the financial year i.e. affecting the financial position of the Company during the year under report.

## 12. RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

ANNUAL REPORT 2017-18 — 3



The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the below mentioned Link:

(http://www.barakcement.com/PDF/Company%20Policies/POLICY%20FOR%20DETERMINING%20MATERI AL%20RELATED%20PARTY%20TRANSACTION.pdf).

#### 13. COMMITTEES OF THE BOARD OF DIRECTOR'S

The composition and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance, where the Board has not accepted the recommendation of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The legal provision mandating constitution of Risk Management Committee is not yet applicable to the Company.

### 14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Integrity and ethics have been the bedrock of the Company's corporate operations. There is no shortcut to integrity. Your Company is committed to conducting its business in accordance with the highest standards of professionalism, honesty and ethical behavior. It has the best systems in place to nurture as honest and ethical working culture.

The Company has a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013. Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has formulated a Whistle Blower Policy for directors, senior executives and employees to report and freely communicate their concerns about the unethical behavior, actual or suspected, fraud or violation or any illegal or unethical practices of the Company's code of conduct and ethics policy. The Whistle Blower Policy 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 at the following link: http://www.barakcement.com/index384c.html.

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

Name – Mr. Mukesh Agarwal Address -Debendra Nagar, Jhoombasti, P.O. Badarpur Ghat, Distt. Karimganj, Assam-788803 E-mail-magarwal.bvcl@gmail.com Contact No.- +91-9435078960

## 15. RISK MANAGEMENT

The Company has a robust risk management process to identify key risks across the Group, and prioritise action plans to mitigate them. Its Risk Management framework is reviewed periodically by the Board and the Audit and Risk Management Committee. The proceedings of the review process include discussions on the management's submissions on risks, prioritisation of key risks and approval of action plans to mitigate such risks. Some of the uncertainties and risks that can affect the business are technological changes, changing customer preferences and behaviour, competition, volatility in prices of cement and macro-economic factors such as an economic slowdown.

## 16. 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.

## 17. POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

4) — ANNUAL REPORT 2017-18



("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

# 18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PRSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Existing Directors Composition of the Company has an adequate mix of Executive, Non-Executive and Independent Directors to ensure and maintain the independence of the Board, and separate its functions of Governance and Management. As on March, 31 2018, the Board comprises of 10 members 5 (Five) of whom are Independent (including One Women Director in pursuant to the compliance of Section 149 of the Companies Act, 2013) and 5 (Five) are Non-Independent Directors. As on the aforesaid date, the Company has 8 (eight) non-executive directors and 2 (two) executive director The Board periodically evaluates the need for its change in its composition and size.

The policy of the Company on director's appointment, remuneration, including criteria for determining qualification, positive attributes, independence of director and other matters provided under sub-section (3) of section 178 along has been described in the Corporate Governance Report. We affirm that the Remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

### 19. BOARD EVALUATION

The Board has evaluated the performance of each director on the Board based on the parameters listed out in the 'Policy on Performance Evaluation of the Board' framed by the Nomination and Remuneration Committee. The evaluation of the Board and its Committees has been done by the Board considering the Board dynamics and processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance and structure of Board Committees, ethics and values, skill set, knowledge and expertise of Directors, leadership, etc. 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.

### 20. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prahlad Rai Chamaria and Mr. Mahendra Kumar Agarwal as Directors of the Company, is liable to retire by rotation and being eligible, offers themselves for re-appointment. In view of his considerable experience, your Directors recommend their re-appointment as Director of the Company.

The term of existing Independent Directors has not expired, therefore none of the Independent Directors stands for Reappointment.

The shareholders of the Company approved the re-appointment Mr. Bijay Kumar Garodia and Mr. Santosh Kumar Bajaj as Directors of the Company, who were liable to retire by rotation in the Annual General Meeting of the Company held on 28<sup>th</sup> of September, 2017.

Mr. Bijay Kr. Garodia resigned from the post of Chairman of the Company w.e.f. December 14, 2017 and continue to act as a Director.

Tenure of Mr. Santosh Kumar Bajaj as Whole Time Director expired on September 30, 2017 will continue to act as a Non-Executive Director.

The following personnels are the Key Managerial Personnel of the Company:

- 1) Company Secretary: Ms. Saakshi Manchanda (till 04.07.2018)
- 2) Chief Financial Officer: Mr. Sushil Kumar Kothari (till 26.02.2018)

Mr. Sushil Kumar Kothari resigned as Cheif Financial Officer and the key Managerial Personnel with effect from February 26, 2018. The Board places on record its appreciation for the services rendered by Mr. Kothari during his tenure with the company.



- 3) Managing Director- Mr. Kamakhya Chamaria
- 4) Chief Executive Officer-Mr. Mukesh Kr. Shovasaria

### 21. DECLARATION BY INDEPENDENT DIRECTOR

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Dhanpat Ram Agarwal, Mr. Vishal more, Mr. Brahm Prakash Bakshi, Mr. Ramesh Chandra Bajaj, and Mrs. Renu Kejriwal are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in section 149 of the Act and the Rules made thereunder about their status as Independent Director of the Company. The Company has received declarations from each independent director under section 149(7) of the Companies Act, 2013, that he/she meets the criteria defined under section 149(6) of the Companies Act, 2013.

#### 22. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarization program is available on the Company's website under the web link:

http://www.barakcement.com/PDF/Company%20Policies/FAMILIARIZATION%20PROGRAM%20FOR%20IN DEPENDENT%20DIRECTORS.pdf

### 23. BOARD MEETINGS

During the year 5 (five) Board meetings and 5 (five) Audit Committee Meetings were convened. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and in Regulation 17(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 24. MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 20th March, 2018 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.

## 25. DIRECTORS RESPONSIBILITIES 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, 2018 and of the profit and loss of the Company for that period;
- 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 proper internal financial controls were in place and that the financial controls were 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.

## 26. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given separately as "Annexure A" and forms part of this Report.

## 27. AUDITORS & AUDITORS' REPORT

## 27.1 Statutory Auditors

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 and shall hold office for a period of 5 years from the date of such meeting held on 28<sup>th</sup> September, 2017. The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

## 27.2 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 audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, re-appointed Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) as Cost Auditors of the Company for the financial year ended 31st March, 2018 in the Board Meeting held on August 23, 2017. The remuneration proposed to be paid to them for the financial year 2017-18, as recommended by Audit Committee, was ratified in the meeting of shareholders held on 28th September, 2017.

Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) have expressed their willingness and confirmed their eligibility to be appointed as Cost Auditors of the Company for the ensuing financial year. The Board, on recommendation of the Audit Committee, has appointed Mr. Nirmalendu Kar Purkayastha, Cost Accountants (Firm Regn. no. 100103) as Cost Auditors of the Company for the financial year 2018-19 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

The Cost Audit Report for the financial year 2016-17 was 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. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

In terms of section 204 of the Companies Act, 2013 and 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 had appointed M/s. Vidhi Chaudhary & Associates, Company Secretary in Practice (COP No. 12014) as Secretarial Auditor of the Company for the financial year 2107-18. Secretarial audit report as provided by M/s. Vidhi Chaudhary & Associates Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as "Annexure-B". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. The report is self-explanatory and do not call for any further comments.

## 29. AUDIT COMMITTEE

Your Company has an Audit Committee, in terms of Section 177 of the Companies Act, 2013 and as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the further details of Audit Committee are provided in the Corporate Governance Report.

### 30. 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.

ANNUAL REPORT 2017-18 — 7



#### 31. EXTRACT OF ANNUAL RETURN

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

# 32. 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 D".

## 33. MANGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of 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 E".

## 34. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. 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.

## 35. CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance is annexed and forms part of the Annual Report of the Company. A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance is also annexed. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

## 36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year, No significant orders have been passed by any regulatory authority or by any court.

## 37. COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India.

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

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI), the CEO/ CFO certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

8) — ANNUAL REPORT 2017-18