

Gangotri Cement Limited

Reg. Office Village - Kharora, Raipur (C.G) 493225

CIN: L26942CT1991PLC006677

14th October, 2017

BY LISTING PORTAL

Department of Corporate Services,
Bombay Stock Exchange Ltd
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai (Maharashtra) 400 001

Dear Sir/Madam,

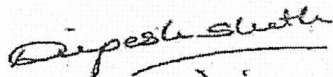
**SUBMISSION OF ANNUAL REPORT - IN TERMS OF REGULATION 34 OF THE SEBI
(LODR) REGULATIONS, 2015**

This is to inform you that 26th Annual General Meeting (AGM) of the members of the Company was duly convened on 29th September, 2017 at 11.00 a.m. at Village Kharora, Raipur (C.G.) 493225.

Further we would like to submit that Annual Report was duly adopted by the shareholders in their meeting and the same is submitted to the stock exchange in compliance of the Regulation 34 of the SEBI (LODR) Regulations, 2015.

We request you to take the submission on record and publish the information on the official website of the exchange.

Yours faithfully,
For, Gangotri Cement Limited,



(Dipesh Mahendra Sheth)
Director
DIN. 01563498

End: As stated above.

26TH ANNUAL REPORT

OF

**Gangotri Cement
Limited**

**FOR THE YEAR
2016 – 2017**

STATUTORY AUDITORS

SUNIL JOHRI AND ASSOCIATES

CHARTERED ACCOUNTANTS

110, WALLFORT OZONE, FAFADIH CHOWK

RAIPUR, (CG)

Mob: 9893121888

Email: johri62@rediffmail.com

GANGOTRI CEMENT LIMITED

Registered Office: Village-Kharora, Raipur (C. G.) 493225

CIN NO: L26942CT1991PLC006677

CORPORATE PROFILE

BOARD OF DIRECTORS

| | |
|-------------------------------|----------------------|
| Shri Sanjay Hasmukh Gandhi | Independent Director |
| Shri Rajendra Khushaldas Shah | Independent Director |
| Shri Parag Pratap Shah | Managing Director |
| Shri Dipesh Mahendra Sheth | Executive Director |
| Smt Dipali Deven Shah | Independent Director |

COMMITTEES OF THE BOARD

| I. AUDIT COMMITTEE | |
|--|----------|
| Shri Sanjay Gandhi - Independent Director | Chairman |
| Shri Rajendra Shah- Independent Director | Member |
| Shri Parag Shah - Managing Director | Member |
| II. NOMINATION & REMUNERATION COMMITTEE | |
| Shri Sanjay Gandhi - Independent Director | Chairman |
| Shri Rajendra Shah- Independent Director | Member |
| Shri Parag Shah - Managing Director | Member |
| III. STAKEHOLDERS RELATIONSHIP COMMITTEE | |
| Shri Rajendra Shah- Independent Director | Chairman |
| Shri Parag Shah - Managing Director | Member |
| Shri Dipesh Sheth - Executive Director | Member |

| INDEPENDENT AUDITORS | SECRETARIAL AUDITORS |
|---|---|
| Sunil Johri & Associates Chartered Accountants 110, Wallfort Ozone Fafadih Chowk, Raipur - 492 001 | SATISH BATRA & ASSOCIATES, Company Secretaries, 2nd Floor, Ashoka Plaza, Ashoka Ratan, Vidhan Sabha Marg, Shankar Nagar, Raipur (C.G.)-492007 |

| LISTED ON | REGISTRAR & SHARE TRANSFER AGENTS |
|-------------------------------|--|
| BOMBAY STOCK EXCHANGE, MUMBAI | BEETAL Financial And Computer Services (P) Limited BEETAL HOUSE, 99 Madangir, Behing LSC, Near Dada Harsukhdar Mandir, Delhi - 110062 Telephone :011- 29961281 Email Address : Beetalrta@Gmail.Com |

REGISTERED OFFICE

| |
|--|
| Village-Kharora, Raipur (C. G.) 493225 |
|--|

GANGOTRI CEMENT LIMITED

Registered Office: Village-Kharora, Raipur (C. G.) 493225

CIN NO: L26942CT1991PLC006677

4th September, 2017

To
All the Members

NOTICE

NOTICE is hereby given that 26th Annual General Meeting of the Company will be held at 11.00 a.m. on Friday, the 29th Sep'17 at Village Kharora, Raipur (C.G.) 493225. Agenda of the meeting is as under:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Statement of Profit and Loss for the year 2016-17, Balance Sheet as at that date, the Directors' Report for the year ended 31st March 2017, and the Report of the Independent Auditors thereon and if thought fit, to pass the following resolution with or without modification as an **Ordinary resolution** –

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby adopted."

2. To consider re-appointment of director , Shri Dipesh Mahendra Sheth (DIN 01563498) who retire by rotation and being eligible, offers himself for reappointment and if thought fit, to pass the following resolution with or without modification as an **Ordinary resolution** –

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Dipesh Mahendra Sheth (DIN 01563498), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. The Companies Act, 2013 (the Act) was notified effective April 1, 2014, Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The present auditors, M/s Sunil Johri & Associates have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing AGM.

The audit committee of the Company had proposed on 4th September, 2017 in their meeting and subsequently the Board has recommended the appointment of M/s. Agrawal Shukla & Co, Chartered Accountants (Firm registration number: 326151E) as the statutory auditors of the Company in their meeting held on 29th September, 2017. They will hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in 2021-22. The first year of audit will be of the financial statements for the year ending on 31st March, 2018, which will include the audit of the quarterly financial statements for the year. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as **Ordinary resolution**-

"RESOLVED THAT pursuant to Section 139 and 142 other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Agrawal Shukla & Co, Chartered Accountants (Firm registration number: 326151E) be and are hereby appointed as Statutory Auditors of the Company to hold office for a consecutive period of five years from conclusion of 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as shall be fixed mutually by the Audit Committee in consultation with Auditors and Board of Directors of the Company."

All the members are requested to attend the meeting.

By order of the Board
For, Gangotri Cement Limited

SD/-
(Parag Pratap Shah)
Managing Director
DIN. 02619924
Add: A/13, Majethia Apartment,
5th floor, S.V.Road Irla, Vileparle (W),
Above Irla Nursing Home,
Mumbai (M.H.) 400056

Date: 4th September, 2017

Place: Raipur

Notes:

1. A member of the company entitled to attend and vote at the meeting, is entitled to attend a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Instruments of proxies in order to be valid must be deposited at the registered office of the company not less than 48 hours before the time for the meeting.
3. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. Details pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of director seeking appointment/re-appointment at Annual General Meeting forms part of the notice.
5. The Register of Members and Share Transfer Books will remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive).
6. Members who are holding Shares in Physical Form are requested to notify their e-mail address, addresses or Bank details or changes if any to the Company's Registrar and Transfer Agent (RTA) and always quote their Folio Numbers in all correspondences with the Company and RTA. In respect of holding Shares in Electronic Form, members are requested to notify any change in email, addresses, or Bank details to their respective Depository Participants.
7. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
8. Corporate Member(s) intending to send their Authorized Representative(s) are requested to send a duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.
9. There shall be voting by show of hands at the Annual General Meeting. The members who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in Electronic Form are, therefore, requested to submit the PAN to their Depository Participants with which they are maintaining their Demat Accounts. Members holding shares in Physical Form can submit their PAN details to the Company's Registrar and Transfer Agent.
11. Members who are still holding Shares in Physical Form are advised to dematerialize their shareholdings to avail the benefits of dematerialization which beside others include easy liquidity (since trading is permitted only in Dematerialized Form), electronic transfer, savings in stamp duty, prevention of forgery etc.
12. The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing

paperless compliances by the Companies and has issued circulars stating that service or notice/documents including Annual Report can be effected through e-mail to its members. To support this green initiative of the Government in full measure, the Company is sending Annual Report electronically to the e-mail addresses of members as obtained from Depositories/other sources, unless specifically requested to be sent in Physical Form. The members, who have not registered/updated their e-mail addresses so far, are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their Shares in Physical Form shall be sent hard copies of Annual Report and who are desirous of receiving the communications/documents in Electronic Form are requested to promptly register their e-mail addresses with the Company.

13. Members may also take a note that notice of 26th Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website ***gangotricement@gmail.com***.

14. Members are requested to bring their attendance slip and copy of annual report at the meeting.

15. Voting through electronic means-

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.

b. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

(i) The voting period begins on 26th September, 2017 from 10.00am onwards and ends on 28th September, 2017 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for ***Gangotri Cement Limited*** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) NOTE FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

ADDITIONAL DISCLOSURE AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. Shri Dipesh Mahendra Sheth -(seeking reappointment)

Shri Dipesh Mahendra Sheth is a graduate. He has been associated with the Company since 1996 and has gained extensive knowledge and experience in the industry.

Disclosure of relationships between directors inter-se

Nil

Listed Companies (other than Gangotri Cement Limited) in which Shri Dipesh Manendra Sheth holds directorship and committee membership

DIRECTORSHIP & Membership of the Committees

NIL

Shareholding in the Company

Holds 5000 eq. shares of Re.10/- each

GANGOTRI CEMENT LIMITED

Registered Office: Village-Kharora, Raipur (C. G.) 493225

CIN NO: L26942CT1991PLC006677

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

L. Folio No.

No. of Shares held:

I/We* ----- of ----- in the district of -----
being a Member / Members of **Gangotri Cement Limited**, hereby appoint ----- of -----
in the district of ----- or failing him/her ----- of ----- in the district of -----
----- as my/our proxy to attend and vote for me/us and on my/our behalf at the **Twenty Sixth Annual General Meeting** of the Company to be held on Friday, **the 29th Sep'17** and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

| Sr. no. | Resolutions | For | Against |
|---------|--|-----|---------|
| 1. | Adoption of annual audited Financial Statements for the year ended 31 st Mar'17 | | |
| 2. | Re-appointment of director Shri Dipesh Mahendra Sheth (DIN 01563498) who retire by rotation and are eligible for reappointment | | |
| 3. | Appointment of auditor and fixing their remuneration | | |

Signed this ----- day of ----- 2017

This form is to be used *In Favour / *against of the resolution. Unless otherwise instructed, the Proxy will act as he thinks.

Please affix
Revenue
Stamp of
Rs. 1/-

*Strike out whichever is not desired.

Signature -----

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting its registered office at Village- Kharora Raipur (C.G.) 493225
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting I person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

DIRECTORS REPORT

To the Members,
Gangotri Cement Limited,
Raipur (C. G.) 492001,

Your Directors have pleasure in presenting the **26th Annual Report** on the business and operation of the Company together with audited statement of accounts for the year ended on 31st Mar'17.

1. FINANCIAL RESULTS:

| Particulars | 31 st March, 2017 | 31 st March, 2016 |
|--|------------------------------|------------------------------|
| Operating Income | 0.00 | 1,20,33,235.00 |
| Other Income | 14,19,934.00 | 1,34,540.00 |
| Total Receipts: | 14,19,934.00 | 1,21,67,775.00 |
| Total Expenses | 86,96,528.00 | 1,32,09,479.00 |
| Profit Before Tax and Exceptional Items: | (72,76,593.00) | (10,41,704.00) |
| Prior Period Expenses Items | 7,49,503.00 | - |
| Profit Before Tax | (80,26,097.00) | (10,41,704.00) |
| Tax Expenses | | |
| Current Tax | | |
| Deferred Tax | - | 1,76,726.00 |
| Profit for the period : | (80,26,097.00) | (12,18,430.00) |
| Earnings Per Share (in Rs.) | (2.44) | (0.37) |

2. PERFORMANCE REVIEW & PROSPECTS FOR CURRENT YEAR.

During the year under review, the plant remained under shut down due to economic recession and your company could not generate any revenue as compared to Rs. 1.20 crores during the previous financial year. During the year, activity has been generated thought at a slow pace. Your directors are exploring marketing avenues and creating new cliental base and hope to commence operations during the next few months. If the plant goes in to operation, the Company will restore back a good market position and show comparatively better results.

3. TRANSFER TO RESERVES

The loss is proposed to be transferred to Profit & Loss Account.

4. DIVIDEND

On account of losses. your directors are not in a position to recommend any dividend for the period under report.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred during the current year.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. INDUSTRIAL RELATIONS:

Industrial relations in the company during the year were peaceful, cordial and healthy. Company had been able to maintain peaceful industrial atmosphere and mutual trust between the management and the employees. The management & employer relations continue to be cordial.

9. LISTING

The Company continues to be listed on Bombay Stock Exchange (BSE). The company is duly complying with Listing Agreement and SEBI (LODR) Regulations, 2015 from time to time.

10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate Internal Control System, commensurate with its size, scale and operations. 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 of the Company.

During the year no reportable material weakness in the design or operation was observed.

11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company. The Company is also not a subsidiary of any other company.

12. DEPOSITS:

The Company did not accept any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under. As such there are no small depositors in the company.

13. STATUTORY AUDITORS

The Companies Act, 2013 (the Act) was notified effective April 1, 2014, Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The present auditors, M/s Sunil Johri & Associates have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing AGM.

The audit committee of the Company had proposed on 4th September, 2017 in their meeting and subsequently the Board has recommended the appointment of M/s. Agrawal Shukla & Co, Chartered Accountants (Firm registration number: 326151E) as the statutory auditors of the Company in their meeting held on 29th September, 2017. They will hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in 2021-22. The first year of audit will be of the financial statements for the year ending on 31st March, 2018, which will include the audit of the quarterly financial statements for the year.

M/s. Agrawal Shukla & Co, Chartered Accountants has given their consent and eligibility certificate to act as Statutory Auditors of the Company, if their appointment is approved by the members of the company.

Your Directors recommend their appointment on a remuneration to be decided by the Board of Director and the Auditor mutually.

14. AUDITORS OBSERVATION:

Remarks made by the auditors in their report on the accounts stand explained in the notes to accounts which are self explanatory.

15. CORPORATE GOVERNANCE REPORT:

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

The Company has implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance (**Annexure-1**) as stipulated under the Listing Agreement forms an integral part of the Report.

The requisite certificate from the auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance (**Annexure-2**).

16. EXTRACT OF THE ANNUAL RETURN AS REQUIRED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013

Extract of Annual return of the Company is annexed herewith as an **Annexure-7** to this report.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions made with related parties are duly approved by Audit committee in their meetings and in normal course of business. Form AOC-2 as required under the Companies (Accounts) Rules, 2014 is attached as **Annexure-3**.

18. MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review as stipulated under Schedule V of SEBI (LODR) Regulations, 2015 is presented in *Annexure-4*.

19. Directors

a) Changes in Directors and Key Managerial Personnel

Mr. Dipesh Mahendra Sheth retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Directors recommend his appointment at the ensuing Annual General Meeting.

Your Directors recommend his appointment as Director.

Mr. Ghanshyam Soni, Company Secretary and Compliance Officer of the Company has resigned from the company with effect from 11th January, 2017.

b) Declaration by Directors under Section 164

Directors declare that no directors are disqualified from being appointed as Director of the Company under Section 164 of the Companies Act, 2013.

c) Declaration by Independent Director(s) and re- appointment

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

d) Declaration by Directors under Section 184

Directors declare that no directors are disqualified from being appointed as Director of the Company under Section 184 of the Companies Act, 2013.

20. SHARE CAPITAL

- a. There is no change in share capital of the Company.
- b. The Company has not issued any equity shares with differential rights during the year.
- c. The Company has not issued any sweat equity shares during the year
- d. The Company has not issued employee stock options during the year.
- e. The Company has not made any provision for purchase of its own shares during the year.

21. CONSERVATION OF ENERGY & TECHNICAL ABSORPTION:

The Company is a manufacturing Company and In accordance with the requirements of section Conservation of Energy, Technology Absorption under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are attracted, please refer *Annexure-5*

R&D efforts were not made towards technology absorption and no foreign exchange outgo and inflow included during the year.

There is no foreign exchange expenses and foreign income during the financial year.

22. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered under Section 135(2) of the Companies Act, 2013. Hence, no policy or disclosures are required to be made under the said section or applicable rules.

23. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met six (6) times during the year under review. Proper notices of the meeting were given to all the Directors and intimation were duly made to Stock Exchange regarding the conducting of the Board Meeting and its outcome.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note to the Financial Statements.

25. DISCLOSURE OF DIRECTORS' REMUNERATION

As per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no remuneration has been paid to any of the Directors of the Company.

26. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company is required to conduct a Secretarial Audit and obtain a report from a Practising Company Secretary. In view of this, the Board of Directors has appointed Satish Batra & Associates, a Practising Company Secretary firm for conducting secretarial audit of the Company for the financial year 2016-2017. His report is annexed herewith as **Annexure-6**.

27. RISK MANAGEMENT POLICY

Risk Management is a very important part of business. Your directors keep a close watch on the risk prone areas and take actions from time to time. The policy of the company is to comply with statutory requirements and try to overcome the risk of penalties and prosecutions.

The Company does not have any insurable assets. However, the policy of the Company is to keep insured all insurable assets to keep them adequately insured against risks and uncertainties like fire, riot, earthquake, terrorism, loss of profit, etc.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- i. In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors have ensured that all applicable accounting policies are applied them consistently and directors have 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 31st March, 2017 and of the profit and loss of the company for that period;
- iii. The directors had taken and continue to take 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;
- iv. The directors had prepared and continue to prepare the annual accounts on a going concern basis;
- v. The directors had laid and continue to lay down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. The directors had devised and continue to devise proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. PERSONNEL:

There was no employee receiving remuneration attracting provisions of section 134(3) (q) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

30. PREVENTION SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Directors further state that during the year under review, there were no reported instances pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

31. ACKNOWLEDGEMENT

Your directors wish to place on record their sincere appreciation for contributions made by employees of the company and cooperation extended by the bankers and all persons who have directly and indirectly contributed to the success of the company.

Your directors also acknowledge the trust and confidence you have reposed in the company.

BY AND ON BEHALF OF THE BOARD.

DATED: 30TH MAY, 17
PLACE: RAIPUR (C.G.)

(PARAG SHAH)
MANAGING DIRECTOR
DIN 02619924

(DIPESH SHETH)
DIRECTOR
DIN 01563498

ANNEXURE-1

CORPORATE GOVERNANCE REPORT

Company Philosophy on code of governance:

Your Company believes that essence of Corporate Governance lies in its transparency, accountability and protecting the stakeholders interest. Your Company has adopted sound ethical practices, transparency in operations and timely disclosures to go a long way for enhancing long-term shareholder value while safeguarding the interest of all the stakeholders.

Your Company is listed on Bombay Stock Exchange and has duly entered into the Listing Agreement with the Stock exchange and had been complying with all the requirements of Listing Agreement.

SEBI on 2nd September, 2015 notified SEBI (Listing Obligation & Disclosure Requirements), 2015 w.e.f from 1st December, 2015 and repealing the old Listing provisions and streamlining the governance process and practices venture to achieve transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management.

Under SEBI (LODR), Regulations 2015 all the listed Companies were required to enter into uniform listing Agreement by 31st March, 2016 and Company has duly entered into it with Bombay Stock Exchange.

Regulation 17 to 27 of the SEBI (LODR), Regulations, 2015 are applicable to the listed companies having Paid-up capital of your Company of Rs.10.00 crore or more or the turnover of Rs.25.00 crore or more for other Companies the compliances of these regulations are optional. Your company does not have either of them. Therefore, Company has been complying with these regulations, as company believes in the spirit of good corporate governance.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:-

1. Board of Directors :

a. Composition of Board of Directors.

The Board of Directors of your Company as on March 31st 2017 consisted of 5 Directors with varied experience in different areas. The composition of the Board is in conformity with the Regulation 17 of SEBI (LODR) Regulation, 2015, with 50% of the Board consisting of Independent Directors. The details of composition and categories of Directors are as follows.

| Sr. No. | Name | Category | Designation |
|---------|-------------------------------|------------------------|----------------------|
| a) | Shri Dipesh Mahendra Sheth | Executive Director | Director |
| b) | Shri Parag Pratap Shah | Executive Director | Managing Director |
| c) | Shri Rajendra Khushaldas Shah | Non-Executive Director | Independent Director |
| d) | Shri Sanjay Hasmukh Gandhi | Non-Executive Director | Independent Director |
| e) | Smt. Dipali Deven Shah | Non-Executive Director | Independent Director |

b. Number of Meeting Of Board of Directors

All statutory & other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the company and as trustees of stakeholders, as per policy the Board meets at least once every quarter. During the year the Board met 6 times on 30th May, 16, 13th August, 2016, 1st September, 2016, 14th November, 2016, 11th January, 2017 and 14th February, 2017.

c. Meeting attendance of each directors at the BOD meeting and last AGM is as under:-

As required under Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director.

All Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31st March, 2017 are given below:

| Sr. No. | Name of Directors | Category | Designation | Relationship with other Directors | No. of Board Meetings Attended | Attendance at Last AGM | No of other Director ship(s) as on 31-03-2017* | No. of other Board Committees member/ Chairman ** |
|---------|-------------------------------|------------------------|----------------------|-----------------------------------|--------------------------------|------------------------|--|---|
| a. | Shri Dipesh Mahendra Sheth | Executive Director | Director | NIL | 6 | Yes | 1 | 0 |
| b. | Shri Parag Pratap Shah | Executive Director | Managing Director | NIL | 6 | Yes | 0 | 0 |
| c. | Shri Rajendra Khushaldas Shah | Non-Executive Director | Director | NIL | 5 | Yes | 0 | 0 |
| d. | Shri Sanjay Hasmukh Gandhi | Non-Executive Director | Independent Director | NIL | 5 | Yes | 4 | 3 |
| e. | Smt Dipali Deven Shah | Non-Executive Director | Independent Director | NIL | 5 | Yes | 0 | 0 |

* **The Directorships, held by directors as mentioned above, include directorship in Private Company also.**

** **Only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

d. CRITERIA FOR PERFORMANCE EVALUATION:

The Nomination and Remuneration Committee lays down the criteria for performance of Directors from time to time. The annual evaluation is made on the basis of their attendance in the Board meetings and interaction with the management and employees. Their role and accountability towards the work allocated to them.

e. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Your Company has duly appointed Independent Directors in compliance of the law and also to gain benefits of expertise knowledge and skill of the Independent directors.

Company has duly taken up familiarizing programs for the independent directors so that they can get acquainted with the Company and the details of programme are available on the website of the Company.

f. MEETING OF INDEPENDENT DIRECTORS

An exclusive meeting of all Independent Directors took place on 14th February, 2017 to discuss the following –

- The performance of non-independent directors.
- The quantity, quality, and timeliness of information between the management and Board of Directors.
- Effectiveness of duties and responsibilities of Board and Senior Management.

g. CODE OF BUSINESS CONDUCTS AND ETHICS

The Board of Directors has laid down a Code of Conduct for all Board Members and senior employees of the Company. The annual accounts contain the Code of Conduct and a declaration by the Managing Director.

Your company has adopted a code of conduct for all the Board members and members of senior management, between whom it has been circulated and compliance thereto affirmed. A declaration has been duly made in the Directors' Report.

2. Audit Committee

Your Company has duly constituted Audit Committee. The composition of the Audit Committee is in conformity of Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR), Regulations 2015. The members

or the Audit Committee are capable of understanding the accountings and terms related to financial management. All the members of the Committee are duly complying with their duties as prescribed under the Act and SEBI (LODR) Regulations, 2015.

The Committee was working under Chairmanship of Shri Sanjay Hasmukh Gandhi, a non-executive Independent Director with Shri Rajendra Khushaldas Shah, a non-executive Independent Director with Shri Parag Pratap Shah, managing director as co-members.

The committee was reconstituted as under –

- a) Chairman - Shri Sanjay Hasmukh Gandhi, a non-executive Independent Woman Director
- b) Co-Member - Shri Rajendra Khushaldas Shah, a non-executive Independent Director
- c) Co-member - Shri Parag Pratap Shah, an executive director

The committee met on four occasions.

The committee met on the following dates with attendance as shown below:

| Date of Meeting | Committee strength | No. of members present |
|-----------------|--------------------|------------------------|
| 30.05.2016 | 3 | 3 |
| 13.08.2016 | 3 | 3 |
| 14.11.2016 | 3 | 3 |
| 14.02.2017 | 3 | 3 |

Mr. Ghanshyam Soni, Company Secretary & Compliance Officer acts as secretary to the meeting of the Committee.

3. Nomination & Remuneration Committee

Your Company has duly constituted Nomination & Remuneration Committee. The composition of the Nomination & Remuneration Committee is as per the mandate of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), Regulations 2015.

The Nomination & Remuneration Committee has been re-constituted under the Chairmanship of Shri Sanjay Hasmukh Gandhi, a non-executive independent director with Shri Rajendra Khushaldas Shah, a non-executive Independent Director and Shri Parag Pratap Shah, Managing Director as co-members.

The Committee has been formed to review and recommend the remuneration policy of the Company and to recommend the revision in salary structure of Directors. During the year, the sub-committee met on 13th August, 2016 with full attendance of all the members and decided that due to slow growth in Industries and low profits whole-time directors, directors should not draw any remuneration and also recommended appointments of Directors and other Key Managerial Personnel.

4. Stakeholders Relationship Committee

The Executive Committee has been re-constituted as Stakeholders Relationship Committee under the Chairmanship of Shri Rajendra Khushaldas Shah, a non-executive Independent Director with Shri Dipesh Sheth, an executive director and Shri Parag Pratap Shah, Managing Director as co-members. In the Financial year under review, Committee has resolved all the cases of share transfers and no investors grievances are pending as on date of the Report.

5. General Body Meeting

Particulars of last three Annual General Meetings

| AGM | Year ended 31 st March | Venue | Date | Time |
|------------------|-----------------------------------|----------------------------------|------------|---------|
| 23 rd | 2014 | Registered Office of The Company | 29-09-2014 | 11.00am |
| 24 th | 2015 | | 30-09-2015 | 10:00am |
| 25 th | 2016 | | 30-09-2016 | 11.00am |

6. Other Disclosures

- i. There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.
- ii. There were no non-compliance by the company, penalties, and structures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.

iii. The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

iv. Regulation 17 to 27 of the SEBI (LODR), Regulations, 2015 are applicable to the listed companies having Paid-up capital of your Company of Rs.10.00 crore or more or the turnover of Rs.25.00 crore or more for other Companies the compliances of these regulations are optional. Your company does not have either of them. Therefore, Company has been complying with these regulations, as company believes in the spirit of good corporate governance.

7. Means of Communication

Information like financial results (quarterly, half-yearly, or annual) and press releases on significant developments in the Company that has been updated on the company's website www.gangotricement.com and have also submitted to the stock exchanges to enable them to put it on their websites and communicate to their members.

Details of management discussion are a part of the annual report.

No presentation made to institutional investors or to the analysts. Management Discussion & Analysis are not a part of Annual Report.

8. General Shareholder Information for the year

General Shareholder Information for the year

| | | | | | | |
|------------------------------|--|--|------|------|-----|-------|
| a. | AGM- Date, Time and venue | 29 th September, 2017 at 11.00am at , Raipur (C. G.) 493225 | | | | |
| b. | Financial Calendar - Tentative Schedule for declaration of results during the Financial Year 2017-18 | | | | | |
| | Unaudited First Quarter Results | On or before 14th August 2017 | | | | |
| | Unaudited second Quarter Results | On or before 14th November 2017 | | | | |
| | Unaudited Third Quarter Results | On or before 14th February 2017 | | | | |
| | Audited Fourth Quarterly Results | On or before 30th May, 2018 | | | | |
| | Annual General Meeting for the year ending on 31 st March, 2018 | On or before 30th September, 2018 | | | | |
| c. | Book Closure Dates | 23 rd Sept'17 to 29 th Sept'17 (both days inclusive) | | | | |
| d. | Dividend Payment Date | No dividend has been declared. Hence, no date is required to be given. | | | | |
| e. | Listing of Equity Shares on Stock Exchange | Bombay Stock Exchange | | | | |
| f. | International Security Identification Number | INE831P01018 | | | | |
| g. | Stock Code | 531834 | | | | |
| h. | Payment of Annual Listing Fee | Yes, Annual listing fees have been paid to BSE | | | | |
| i. | Registrar & Transfer Agent. | Beetal Financial & Computer Services (P) Limited Beetal House, 99 Madangir, Behind Lsc, Near Dada Harsukhdar Mandir, Delhi-110062 | | | | |
| j. | Market Price High-Low ** | Date | Open | High | Low | Close |
| NIL TRADING STANDS SUSPENDED | | | | | | |

| k. | Share Transfer System | <p>Applications for transfer of shares held in physical form will be sent to the Company's Registrar & Share Transfer Agent. All valid applications are processed within 15 Days from the Date of receipt and after being registered in the name of the transferee, the share certificates have been dispatched to the shareholders.</p> <p>Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. For any clarification, assistance or information please contact "BEETAL FINANCIAL & COMPUTER SERVICES (P) LIMITED".</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|---|--|---------------------------------------|-------------------------|---------------|---------------|------------|----------------------------------|--------|-------|--------|-----------------------------------|---------------|-------|-------|---------------------|---------|----------------|-----|------------------|--------|-------|----------------|----------------------|------|-------|------|----------------------------|---|------|-------|-------|----------------|--------|------|-------|------|-----------------|----|------|--------|------|------------------|----|------|---------|-------|-------|--|--------|--|--------|
| l. | Distribution of shareholding as on 31 st March, 2017 | <table border="1"> <thead> <tr> <th>SHARE HOLDING OF NOMINAL VALUE OF RS.</th> <th>NO. OF SHARE-HOLDERS</th> <th>% TO TOTAL</th> <th>NO. OF SHARES</th> <th>% Of TOTAL</th> </tr> </thead> <tbody> <tr> <td>UP TO 5000</td> <td>1597</td> <td>64.42</td> <td>379500</td> <td>11.38</td> </tr> <tr> <td>5001 TO 10000</td> <td>528</td> <td>21.29</td> <td>478500</td> <td>14.35</td> </tr> <tr> <td>10001 TO 20000</td> <td>253</td> <td>10.20</td> <td>379500</td> <td>11.38</td> </tr> <tr> <td>20001 TO 30000</td> <td>24</td> <td>0.96</td> <td>62700</td> <td>1.88</td> </tr> <tr> <td>30001 TO 40000</td> <td>9</td> <td>0.36</td> <td>32700</td> <td>0.98</td> </tr> <tr> <td>40001 TO 50000</td> <td>10</td> <td>0.40</td> <td>45500</td> <td>1.36</td> </tr> <tr> <td>50001 TO 100000</td> <td>21</td> <td>0.84</td> <td>150500</td> <td>4.51</td> </tr> <tr> <td>100001 AND ABOVE</td> <td>37</td> <td>1.49</td> <td>1806600</td> <td>54.16</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>100.00</td> <td></td> <td>100.00</td> </tr> </tbody> </table> | SHARE HOLDING OF NOMINAL VALUE OF RS. | NO. OF SHARE-HOLDERS | % TO TOTAL | NO. OF SHARES | % Of TOTAL | UP TO 5000 | 1597 | 64.42 | 379500 | 11.38 | 5001 TO 10000 | 528 | 21.29 | 478500 | 14.35 | 10001 TO 20000 | 253 | 10.20 | 379500 | 11.38 | 20001 TO 30000 | 24 | 0.96 | 62700 | 1.88 | 30001 TO 40000 | 9 | 0.36 | 32700 | 0.98 | 40001 TO 50000 | 10 | 0.40 | 45500 | 1.36 | 50001 TO 100000 | 21 | 0.84 | 150500 | 4.51 | 100001 AND ABOVE | 37 | 1.49 | 1806600 | 54.16 | TOTAL | | 100.00 | | 100.00 |
| SHARE HOLDING OF NOMINAL VALUE OF RS. | NO. OF SHARE-HOLDERS | % TO TOTAL | NO. OF SHARES | % Of TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UP TO 5000 | 1597 | 64.42 | 379500 | 11.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5001 TO 10000 | 528 | 21.29 | 478500 | 14.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10001 TO 20000 | 253 | 10.20 | 379500 | 11.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20001 TO 30000 | 24 | 0.96 | 62700 | 1.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30001 TO 40000 | 9 | 0.36 | 32700 | 0.98 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40001 TO 50000 | 10 | 0.40 | 45500 | 1.36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50001 TO 100000 | 21 | 0.84 | 150500 | 4.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100001 AND ABOVE | 37 | 1.49 | 1806600 | 54.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 100.00 | | 100.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| m. | Categories of share holders as on 31 st March, 2017 | <table border="1"> <thead> <tr> <th>SR. NO</th> <th>CATEGORY OF SHAREHOLDER</th> <th>TOTAL HOLDING</th> <th>PERCENTAGE</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>INDIAN PROMOTER - INDIVIDUAL/HUF</td> <td>151925</td> <td>4.55</td> </tr> <tr> <td>b.</td> <td>CORPORATE BODIES - PROMOTER GROUP</td> <td>594770</td> <td>17.83</td> </tr> <tr> <td>c.</td> <td>RESIDENT INDIVIDUAL</td> <td>2544905</td> <td>76.30</td> </tr> <tr> <td>d.</td> <td>BODIES CORPORATE</td> <td>43900</td> <td>1.32</td> </tr> <tr> <td>e.</td> <td>NON RESIDENT INDIANS</td> <td>-</td> <td>-</td> </tr> <tr> <td>F.</td> <td>RESIDENT INDIVIDUALS - HUF</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>3335500</td> <td>100.00</td> </tr> </tbody> </table> | SR. NO | CATEGORY OF SHAREHOLDER | TOTAL HOLDING | PERCENTAGE | a. | INDIAN PROMOTER - INDIVIDUAL/HUF | 151925 | 4.55 | b. | CORPORATE BODIES - PROMOTER GROUP | 594770 | 17.83 | c. | RESIDENT INDIVIDUAL | 2544905 | 76.30 | d. | BODIES CORPORATE | 43900 | 1.32 | e. | NON RESIDENT INDIANS | - | - | F. | RESIDENT INDIVIDUALS - HUF | - | - | | TOTAL | 3335500 | 100.00 | | | | | | | | | | | | | | | | | | |
| SR. NO | CATEGORY OF SHAREHOLDER | TOTAL HOLDING | PERCENTAGE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. | INDIAN PROMOTER - INDIVIDUAL/HUF | 151925 | 4.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b. | CORPORATE BODIES - PROMOTER GROUP | 594770 | 17.83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c. | RESIDENT INDIVIDUAL | 2544905 | 76.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d. | BODIES CORPORATE | 43900 | 1.32 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| e. | NON RESIDENT INDIANS | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F. | RESIDENT INDIVIDUALS - HUF | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | TOTAL | 3335500 | 100.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| n. | Outstanding GDRs/ADRs | Not Applicable as the Company has not issued any GDRs/ADRs or any convertible instruments so far. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| o. | Address of Correspondence | Village-Kharora Raipur (Chhattisgarh) 493225 Email: gangotricement@gmail.com | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**Source: <http://www.bseindia.com>

9. Share Transfer Procedure

All the transactions related to share transfer, change of address, dividend, share certificate etc., should be addressed to R&T Agent of the Company at the address mentioned in this Annual Report. Pursuant to

Clause 4 / (C) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practising Company Secretary on half yearly basis, for compliance of share transfer formalities.

10. Auditors' Certificate on Corporate Governance

As required under SEBI (LODR) Regulations, 2015, a Certificate from a Practising Company Secretary on compliance of Corporate Governance is annexed as **Annexure -2** to this Report.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of Gangotri Cement Limited.

BY AND ON BEHALF OF THE BOARD.

DATED: 30.05.2017
PLACE: RAIPUR (C. G.)

SD/-
(Parag Pratap Shah)
Managing Director
DIN 02619924

ANNEXURE-2

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Gangotri Cements Limited
Village Kharora,
Raipur, (C. G.) 493225

We have examined the compliance of conditions of Corporate Governance by Gangotri Cement Limited for the year ended 31st March, 2017 as stipulated under SEBI (LODR) Regulations, 2015 pertaining to Corporate Governance.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

PLACE: RAIPUR (C.G.)
DATED: 30.05.2017

For, Satish Batra & Associates
Practising Company Secretaries

SD/-
(S. K. Batra)
F1316, CP 2875

ANNEXURE-3

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

| Sr. No | Particulars | Details |
|--------|---|---------|
| (a) | Name(s) of the related party and nature of relationship | Nil |
| (b) | Nature of contracts/arrangements/transactions | Nil |
| (c) | Duration of the contracts / arrangements/transactions | Nil |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Nil |
| (e) | Justification for entering into such contracts or arrangements or transactions | Nil |
| (f) | date(s) of approval by the Board | Nil |
| (g) | Amount paid as advances, if any: | Nil |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | Nil |

2. Details of material contracts or arrangement or transactions at arm's length basis

| Name of the Related Party | Nature of relationship | Duration of Contract | Salient Terms of the Contract | Amount |
|---------------------------|------------------------|----------------------|-------------------------------|-----------|
| Dipesh Sheth | Director | - | Unsecured Loan Received | 18,28,000 |
| Parag Shah | Director | - | Unsecured Loan Received | 36,75,000 |

BY AND ON BEHALF OF THE BOARD

DATED: 30TH MAY, 17
PLACE: RAIPUR (C.G.)

(PARAG SHAH)
DIRECTOR
DIN 02619924

(DIPESH SHETH)
DIRECTOR
DIN 01563498

ANNEXURE-4

MANAGEMENT DISCUSSION AND ANALYSIS

THE ECONOMIC SCENARIO

Cement Company, in any country, plays a major role in the growth of the nation. Cement industry in India was under full control and supervision of the government. However, it got relief at a large extent after the economic reform. But government interference, especially in the pricing, is still evident in India. In spite of being the second largest cement producer in the world, India falls in the list of lowest per capita consumption of cement with 125 kg. The reason behind this is the poor rural people who mostly live in mud huts and cannot afford to have the commodity. Despite the fact, the demand and supply of cement in India has grown up. In a fast developing economy like India, there is always large possibility of expansion of cement industry.

INDUSTRY STRUCTURE

The demand for cement depends primarily on the pace of activities in the business, financial, real estate and infrastructure sectors of the economy. Indian cement industry is globally competitive because the industry has witnessed healthy trends such as cost control and continuous technology upgradation.

The Indian cement industry is extremely energy intensive and is the third largest user of coal in the country. It is modern and uses latest technology, which is among the best in the world.

CURRENT SCENARIO

With more and more emphasis on Infrastructure Development in Urban and Rural Areas of India the outlook for Cement Industry looks very Bright.

The Indian cement industry is the second largest producer of quality cement. Indian Cement Industry is engaged in the production of several varieties of cement such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Blast Furnace Slag Cement (PBFS), Oil Well Cement, Rapid Hardening Portland Cement, Sulphate Resisting Portland Cement, White Cement, etc. They are produced strictly as per the Bureau of Indian Standards (BIS) specifications and their quality is comparable with the best in the world.

BUSINESS OVERVIEW

During the year under review, the plant remained under shut down due to economic recession and your company could not generate any revenue as compared to Rs. 1.20 crores during the previous financial year. During the year, activity has been generated thought at a slow pace. Your directors are exploring marketing avenues and creating new cliental base and hope to commence operations during the next few months. If the plant goes in to operation, the Company will restore back a good market position and show comparatively better results.

MARKETING

The Company is making all efforts to revamp its marketing in new areas and hopes for good results in the current year.

SWOT

Our strength is our determination, weakness is the low equity base suspension by BSE of, opportunities are multiples and threats are practically none.

The financial highlights are as under:-

| | |
|--|-------------|
| Turnover for the year 2016-17 | 0.00 |
| Provision for taxation | - |
| Profit/Loss after tax | (80,26,097) |
| Paid-up Equity Share Capital as on 31 st March'2017 | 32883240 |

INTERNAL CONTROL

The Company has an internal control system, commensurate with the size of its operations, adequate records and documents were maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control system more effective.

SEGMENT WISE REPORTING

During the year under review, Company has considered business segment as primary segment and is engaged in the manufacturer of Portland/slag cement, which are the only two business segment. Other business includes trading in fabrics.

RISK AND CONCERNS

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize losses through detailed studies and interaction with experts.

HEALTH & SAFETY.

The Company Continuously focuses on the health & safety of all its workers & staff. Adequate safety measures have been taken at all the plants for the prevention of accidents or other untoward incident.

CAUTIONARY NOTE

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Many factors may affect the Actual Result, which could be different from what the Directors envisage in terms of future performance and Outlook.

ANNEXURE-5

Information as per section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017

A. CONSERVATION OF ENERGY:

The Company has already taken measures in consultation with the technical experts to conserve use of power wherever possible by way of elimination of waste, improvement in plant power factor and preventive maintenance of various equipments. The company continued efforts for the effective saving of all forms of energy are:

- i. Measures taken: The Company is committed to conserve energy and making the best use of this scarce resource.
- ii. Improvements: Regularly maintaining all equipment to reduce energy consumption, which, ensure established power supply, minimum interruptions and smooth operations.
- iii. Impact of (1) & (2): The energy cost per unit of output has been satisfactory.

B) TECHNOLOGY ABSORPTION:

- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. The technology used for the existing project is fully indigenous. The works departments of the Company are always in pursuit of finding ways and means to improve the performance, quality and cost effectiveness of its products. The consistent efforts are made for the updating of the technology being used by the Company as a continuous exercise. The Company does have a separate Research and Development Department.

C) FOREIGN EXCHANGE EARNING AND OUTGO:-

The foreign Exchange used and earned

| | |
|--------------------------------|-----|
| a) Earning in foreign exchange | Nil |
| b) Outgo in foreign currency | Nil |

By order of the Board of Directors

DATED: 30TH MAY, 17
PLACE: RAIPUR (C.G.)

(PARAG SHAH)
DIRECTOR
DIN 02619924

(DIPESH SHETH)
DIRECTOR
DIN 01563498

ANNEXURE-6

SECRETARIAL AUDIT REPORT

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

The Members,
Gangotri Cement Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gangotri Cement Limited, hereinafter called the company. 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 Gangotri Cement 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 31st March, 2017 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 Natura Hue Chem Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- i. **The Companies Act, 2013 and the Rules made there under;**
- ii. **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;**
- iii. **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;**
- iv. **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**
 - a) **The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, as amended from time to time;**
 - b) **The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;**
 - c) **The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**

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

- a) **Secretarial Standards issued by The Institute of Company Secretaries of India.**
- b) **The Listing Agreements entered into by the Company with Bombay Stock Exchange.**
- c) **Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015 (with effect from 1st December, 2015);**
- d) **The Apprentices Act, 1961**
- e) **The Income Tax Act, 1961**
- f) **The Negotiable Instruments Act, 1881**
- g) **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

We further report that

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.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Director or Committee of the Board, as the case may be.

We have relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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 as mentioned above.

We further report that during the audit report there were no specific events/actions having a major bearing on the affairs of the Company.

For, Satish Batra & Associates,
Company Secretaries,

PLACE: RAIPUR (C. G.)
DATED: 30th May, 2017

SD/-
(Satish Batra)
FCS: 1316
C P No.: 2875

ANNEXURE-7

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement to pay equitable remuneration to the directors, KMPs and employees of the Company.

OBJECTIVE AND PURPOSE OF THE POLICY

The objectives and purpose of this policy are: To take into account the performance of the Company, its financial strength and volume of operations to ensure that its recommendations or implementable from time to time.

1. The NRC shall also take into account the industry scenario and competitive elements with regard to its recommendations so that the company maintains the industry levels.
2. To formulate the criteria for determining qualifications, competencies, and independence for the appointment of a director (executive / non-executive) and recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees.
3. To address the following items : committee member qualifications; committee member appointment and removal; committee structure and operations; and committee reporting to the Board;
4. To formulate the criteria for evaluation of performance of all the directors on the Board;
5. The NRC shall endeavor to maintain a proper balance between key managerial personnel, senior personnel and other level of employees so that there is a peace and harmony in industrial relations.

Due to inadequate profit earning, Committee has recommended that no remuneration be paid to directors, Key Managerial Personnel (KMPs) except sitting fees until the Company earns the adequate profits.

POLICY REVIEW

This policy is framed under the provisions of the Companies Act, 2013 and rules made thereunder and requirements of Clause 49 of the Listing Agreement with the stock exchanges. In case there is any change in the Act and the listing agreement or any other regulation the provisions of the Act and regulations shall prevail over this policy and the provisions of the policy shall be amended suitably to make it consistent with the changed provisions and regulation, if any under the law. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.

BY AND ON BEHALF OF THE BOARD.

DATED: 30TH MAY, 17
PLACE: RAIPUR (C.G.)

(PARAG SHAH)
DIRECTOR
DIN 02619924

(DIPESH SHETH)
DIRECTOR
DIN 01563498

| | | | | | | | | | | |
|---|--------------|----------------|----------------|---------------|--------------|----------------|----------------|---------------|----------|-------------|
| runas | | | | | | | | | | |
| i Others (specify) | - | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non Institutions | - | - | - | - | - | - | - | - | - | - |
| a Bodies Corp. | - | - | - | - | - | - | - | - | - | - |
| (i) Indian | 2500 | 41400 | 43900 | 1.32 | 2500 | 41400 | 43900 | 1.32 | | 0 |
| (ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| a Individuals | - | - | - | - | - | - | - | - | - | - |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 11100 | 1434700 | 1445800 | 43.34 | 11100 | 1434700 | 1445800 | 43.34 | | 0 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 1099105 | 1099105 | 32.95 | 0 | 1099105 | 1099105 | 32.95 | | 0 |
| c Others (Specify) | - | - | - | - | - | - | - | - | - | 0 |
| Sub-total(B)(2) | 13600 | 2575205 | 2588805 | 77.61 | 13600 | 2575205 | 2588805 | 77.61 | | 0 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 13600 | 2575205 | 2588805 | 77.61 | 13600 | 2575205 | 2588805 | 77.61 | | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 18600 | 3316900 | 3335500 | 100.00 | 18600 | 3316900 | 3335500 | 100.00 | | 0.00 |

ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|---------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Conveyor Belting Services P Ltd | 594770 | 17.83 | 0 | 594770 | 17.83 | 0 | 0 |
| 2. | Mali Ram Agarwalla | 35525 | 1.07 | 0 | 35525 | 1.07 | 0 | 0 |
| 3. | Sharad N Shah | 20900 | 0.62 | 0 | 20900 | 0.62 | 0 | 0 |
| 4. | Mahesh N Shah | 18100 | 0.54 | 0 | 18100 | 0.54 | 0 | 0 |
| 5. | Parag P Shah | 12200 | 0.36 | 0 | 12200 | 0.36 | 0 | 0 |
| 6. | Pratap N Shah | 9000 | 0.26 | 0 | 9000 | 0.26 | 0 | 0 |
| 7. | Jatin N Shah | 8700 | 0.26 | 0 | 8700 | 0.26 | 0 | 0 |
| 8. | Jigar N Shah | 8300 | 0.24 | 0 | 8300 | 0.24 | 0 | 0 |
| 9. | Himatlal Sheth | 7800 | 0.23 | 0 | 7800 | 0.23 | 0 | 0 |

| | | | | | | | | |
|-----|----------------|------|------|---|------|------|---|---|
| 10. | Kantilal Sheth | 7500 | 0.22 | 0 | 7500 | 0.22 | 0 | 0 |
| 11. | Bharati S Shah | 5900 | 0.17 | 0 | 5900 | 0.17 | 0 | 0 |
| 12. | Dipesh Sheth | 5000 | 0.15 | 0 | 5000 | 0.15 | 0 | 0 |
| 13. | Rajesh Sheth | 5000 | 0.15 | 0 | 5000 | 0.15 | 0 | 0 |
| 14. | Bhavesh Sheth | 5000 | 0.15 | 0 | 5000 | 0.15 | 0 | 0 |
| 15. | Rasila P Shah | 1200 | 0.04 | 0 | 1200 | 0.04 | 0 | 0 |
| 16. | Indira N Shah | 1000 | 0.03 | 0 | 1000 | 0.03 | 0 | 0 |
| 17. | Bela S Shah | 500 | 0.01 | 0 | 500 | 0.01 | 0 | 0 |
| 18. | Navin N Shah | 300 | 0.01 | 0 | 300 | 0.01 | 0 | 0 |

iii. Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i. | At the beginning of the year | 746695 | 22.39 | 746695 | 22.39 |
| ii. | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| iii. | At the End of the year | 746695 | 22.39 | 746695 | 22.39 |

iv. Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holder of GDRS & ADRS)

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------|-------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | | | | | |
| 1. | Dilip Mehta | 73400 | 2.20 | 73400 | 2.20 |
| 2. | Jayant Shah | 71075 | 2.13 | 71075 | 2.13 |
| 2. | Haresh Gada (HUF) | 65500 | 1.96 | 65500 | 1.96 |
| 4. | Romil Karani | 65200 | 1.95 | 65200 | 1.95 |
| 5. | Monica Tahiliani | 63930 | 1.91 | 63930 | 1.91 |
| 6. | Hitesh Tahiliani | 63000 | 1.88 | 63000 | 1.88 |
| 7. | Kalavati Thakkar | 59900 | 1.79 | 59900 | 1.79 |
| 8. | Bindu J Shah | 58600 | 1.75 | 58600 | 1.75 |
| 9. | Kailas Shah | 50000 | 1.49 | 50000 | 1.49 |
| 10. | Chetan Shah | 50000 | 1.49 | 50000 | 1.49 |
| At the End of the year | | | | | |
| 1. | Dilip Mehta | 73400 | 2.20 | 73400 | 2.20 |
| 2. | Jayant Shah | 71075 | 2.13 | 71075 | 2.13 |
| 2. | Haresh Gada (HUF) | 65500 | 1.96 | 65500 | 1.96 |
| 4. | Romil Karani | 65200 | 1.95 | 65200 | 1.95 |
| 5. | Monica Tahiliani | 63930 | 1.91 | 63930 | 1.91 |
| 6. | Hitesh Tahiliani | 63000 | 1.88 | 63000 | 1.88 |
| 7. | Kalavati Thakkar | 59900 | 1.79 | 59900 | 1.79 |
| 8. | Bindu J Shah | 58600 | 1.75 | 58600 | 1.75 |
| 9. | Kailas Shah | 50000 | 1.49 | 50000 | 1.49 |
| 10. | Chetan Shah | 50000 | 1.49 | 50000 | 1.49 |

v. Shareholding Pattern of Directors and Key Managerial Personnel

| Sr. no | Particulars | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|--------|-----------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Dipesh Mahendra Sheth | 5000 | 0.15 | 5000 | 0.15 |
| 2. | Parag Pratap Shah | 12200 | 0.37 | 12200 | 0.37 |

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,54,53,826.00 | 1,40,75,000.00 | 0 | 2,95,28,826.00 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 1,54,53,826.00 | 1,40,75,000.00 | 0 | 2,95,28,826.00 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 26,70,203.00 | 0 | 26,70,203.00 |
| * Reduction | (8,92,304) | 0 | 0 | (8,92,304) |
| Net Change | (8,92,304) | 26,70,203.00 | 0 | 17,77,899.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,45,61,522.00 | 1,67,45,203.00 | 0 | 3,13,06,725.00 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 1,45,61,522.00 | 1,67,45,203.00 | 0 | 3,13,06,725.00 |

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-Time Directors and/or Manager

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|---|-------------------------|--------------|
| i. | Gross salary: (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b) Value of perquisite/s 17(2)Income-tax Act,1961 (c) Profits in lieu of salary undersection17(3)Income- taxAct,1961 | | NIL |
| ii. | Stock Option | | |

| | | |
|------|--|--|
| iii. | Sweat Equity | |
| iv. | Commission - as % of profit - others, specify... | |
| v. | Others, please specify | |
| vi. | Total(A) | |
| | Ceiling as per the Act | |

ii. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|---|-------------------------|--------------|
| i. | <u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify | NIL | |
| ii. | Total(1) | | |
| | <u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify | | |
| iii. | Total(2) | | |
| | Total(B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Over all Ceiling as per the Act | | |

iii. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sr. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|-----|-----------|
| | | CEO | Company Secretary | CFO | Total |
| i. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisite/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | 45,000.00 | - | 45,000.00 |
| ii. | Stock Option | - | - | - | - |
| iii. | Sweat Equity | - | - | - | - |
| iv. | Commission - as % of profit - others, specify... | - | - | - | - |
| v. | Others, please specify | - | - | - | - |
| vi. | Total | - | 45,000.00 | - | 45,000.00 |

7. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year, there were no penalties/ punishment/ compounding of offence under Companies Act, 2013.

INDEPENDENT AUDITORS' REPORT

**TO
THE MEMBERS OF
GANGOTRI CEMENT LTD.
RAIPUR**

Report on the Financial Statements

We have audited the accompanying financial statements of GANGOTRI CEMENT LTD. ("The Company"), which comprise Balance Sheet as at March'31st 2017, Statement of Profit & Loss & Cash flow statement for the year ended then and a summary of Significant Accounting Policies and other Explanatory Information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Basis of Qualified Opinion

The Company has not complied with in respect of the following Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014:

The accounting policy as referred to in note 31 to the financial statements with respect to the liability on account of Gratuity Liability is recognized on own calculations instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Accounting Standard – 15 on Employee Benefits. The consequential impact of adjustment, if any, owing to this non-compliance on the financial statements is presently not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to the financial statements:-

- (a) Note No.29 to the financial statements which describes regarding certain disclosure relating to Micro /Small /Medium Enterprises.
- (b) Note No. 26 to the financial statements which describes regarding confirmations of debtors, creditors, loans & advances, subject to reconciliation if any.
- (c) Note No. 38 to the financial statements which describes regarding Company's financing arrangements expire and amounts outstanding are payable on March 31, 2017. The Company has been able to conclude renegotiations financing arrangements from bank. Further during the year company had also suspended its manufacturing facilities. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. *The financial statements do not adequately disclose this matter.*

Our opinion is not qualified / modified in respect of other matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) *Except for the effects/ possible effects* of the matters described in the para of Basis of Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
- (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note No. 32 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company and
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 39 to the financial statement.

For Sunil Johri & Associates
Chartered Accountants
FRN 005960C

Sumit Banerjee
Partner
Membership No.: 411114
Raipur (C.G.)
30th May, 2017

ANNEXURE A TO THE AUDITORS' REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of GANGOTRI CEMENT LTD. on the accounts of the company for the year ended 31st March, 2017]

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

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The major assets have been physically verified by the management on a sample basis during the year and in our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies noticed on such verification.

- c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. We have obtained third party confirmations in respect of immovable properties of the company held as fixed assets which are in the custody of third parties such as mortgages. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- (ii) As explained to us and according to the information provided by the management, the inventory has been physically verified at reasonable interval during the year by the management. The discrepancies noticed on verification between physical stock and book stocks, wherever ascertained were not significant and have been properly dealt in the books of the accounts.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, 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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the act, with respect to the loans and investments made. The company has neither issued any guarantee nor has provided any security on behalf of any party.
- (v) In our opinion and according to the information and explanation given to us, the Company did not receive any deposits covered under section 73 to 76 of the company Act and rules framed there under with regards to deposits accepted from the public during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these accounts & records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, Employee State Insurance, income tax, sales tax, service tax, duty of Excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable except Listing fees Rs 2.24 Lacs.
- b) According to the records of the company there are no dues of income-tax, Sales Tax, Service Tax, custom duty, wealth tax, excise duty / cess which have not been deposited on account of any dispute.
- (viii) The company has defaulted in repayment of Rs 29.26 Lacs (Principal amount) in respect of Term Loan availed from Allahabad Bank. The default occurred in April – March 2017 out of which Rs 11.96 Lacs was not cleared until 31st March and was thus due for 3 Months as at that date. Further the Company had approached to bank for re schedulement of Installments of Term Loan which duly accepted by the bank.

- (ix) Based on the information and explanations given to us and records of the company examined by us, the company has not raise money by way of further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, the transactions with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by applicable accounting standards wherever required.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the company, company has not made any preferential allotment or any private placement of the shares or fully or partly convertible debentures during the year.
- (xv) 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 any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, clause 3 (xv) of the order is not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Sunil Johri & Associates
Chartered Accountants
FRN 005960C

Sumit Banerjee
Partner
Membership No.:411114
Raipur (C.G.)
30th May, 2017

ANNEXURE B TO THE AUDITORS' REPORT

[Referred to in paragraph 2 (F) under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members.]

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 GANGOTRI CEMENT LTD. ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as Required under the Companies Act, 2013.

Auditors' Responsibility

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

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 2017:-

- a. The Company did not have an appropriate internal control system for the identification of Micro / Small / Medium Enterprises Development and SSI Units as per the requirements of the MSMED Act. These could potentially result in the Company's account balances and Interest expenses not charged on account of non compliance of the above Act.
- b. The Company did not have an appropriate internal control system for the account confirmations of debtors, creditors, loans & advances. These could potentially result in the Company's account balances may be unable to realize its assets and discharge its liabilities in the normal course of business.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievements of the objectives of the control criteria, the Company has maintained, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For Sunil Johri & Associates
Chartered Accountants
FRN 005960C

Sumit Banerjee
Partner
Membership No.:411114
Raipur (C.G.)
30th May, 2017

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost conventional accrual basis of accounting, in conformity with accounting principles generally accepted in India and comply with the accounting standard referred to in Sec.211 (3c) of the Companies Act, 1956. The financial statements are presented in Indian rupees.

B. USE OF ESTIMATES

The preparation of financial statements are in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Examples of such estimates include provisions for doubtful debts, provision for income taxes and the useful lives of fixed assets.

1. FIXED ASSETS

- A. Fixed Assets are stated at cost of acquisition and valued at Historical cost. Related pre operational expenses form part of the value of assets capitalized less Depreciation.
- B. Machinery Spares, received along with the plant or equipment and whose Use is expected to be irregular, are capitalized and depreciated over the Useful life of the related asset.
- C. Directly identified expenses are being capitalized. All other allocable expenses during the period of construction for the project are being capitalized proportionately on the basis of the value of assets on date of production.

2. DEPRECIATION

- i. Depreciation on fixed assets has been provided on Straight Line Method Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- ii. Depreciation on additions to and deductions from fixed assets is being provided on pro-rata basis from /to the date of acquisition/disposal.

3. RECOGNITION OF INCOME AND EXPENDITURE

- i. Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in this schedule. However where the amount is immaterial / negligible and / or establishment of accrual / Determination of amount is not possible, no entries are made for the accruals.
- ii. Interest on allotment/call/refund money is accounted for on cash basis.

4. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

5. INVENTORIES

finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value.

Work-in-progress is carried at cost.

The cost of inventories of Raw Material purchased by the Company is carried at cost. Stores and spare parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on the 'FIFO' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

6. RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure is charged to the Profit & Loss A/c and capital expenditure is added to the costs of Fixed Assets in the year in which it is incurred and depreciation thereon is provided as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

7. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. IMPAIRMENT OF ASSETS

At each balance sheet date the company reviews whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

9. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the years. Deferred tax is recognised, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets, other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

10. INVESTMENT

Long term investments are carried out at cost less any other temporary diminution in value, determined on the specific identification basis.

Current investments are carried at the lower of cost and fair value.

Profit & Loss on sale of investment is determined on specific identification basis.

11. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of transactions and in case of purchase of materials and sale of goods, the exchange gains / losses on settlements during the year, are charged to Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the date of Balance Sheet. Exchange gains / losses including those relating to fixed assets are dealt with in the Profit and Loss Account.

12. EMPLOYEE BENEFITS

- a. Provident Fund is a defined contribution scheme and the contribution is charged to the Profit & Loss A/c of the year when the contributions to the Government Funds is due.
- b. Gratuity Liability is defined benefit obligations and is provided for on the basis of following formula:-

Last drawn Salary * 15/26 * No. of Completed year of Services

The above calculation is done only for those employees who have completed continuous five year of services. However, the above calculation of Gratuity is not as per Actuary Valuation.

- c. Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
- d. Actuarial gains / losses are immediate taken to the profit & loss account and are not deferred.

13. REVENUE RECOGNITION

- a. Sale of goods is recognised on passing of risks and rewards attached to the goods.
- b. Insurance and other claims are recognised only on acceptance of claims by the appropriate authorities.

14. CASH FLOW STATEMENT

The cash flow statement is prepared as per the Indirect method prescribed under "Accounting Standard - 3" Cash Flow Statement issued by the Institute of Chartered Accountants of India.

15. INTANGIBLE ASSETS

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on equated basis over the estimated useful life of such assets.

16. EARNINGS PER SHARE

The Company reports Basic and Diluted Earnings per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

17. LEASE

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

18. SEGMENT REPORTING

- a) Business Segment: - The accounting policies adopted for segment reporting are in the line with the accounting policies of the company. Segment Revenue, Segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets, Liabilities which relates to the company as whole and not allocable to segment on reasonable basis have been included under "Unallocated revenue/ expenses/ assets/ liabilities".
- b) Geographical Segment: - The Company sells its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Events occurring after the balance sheet date and related to circumstances existing on the Balance Sheet are accounted for. Events not related to circumstances existing on the Balance Sheet date are disclosed by way note to accounts.

BALANCE SHEET & PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2017

| PARTICULARS | NOTE NO. | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------|-----------------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 32,883,240 | 32,883,240 |
| (b) Reserves and Surplus | 2 | (12,674,645) | (4,648,548) |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 31,306,725 | 29,528,826 |
| (3) Current Liabilities | | | |
| (a) Trade Payables | 4 | 2,536,508 | 2,262,008 |
| (b) Other Current Liabilities | 5 | 5,714,110 | 7,361,983 |
| TOTAL- EQUITY AND LIABILITIES | | 59,765,938 | 67,387,509 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed assets | 6 | 8,313,992 | 9,181,941 |
| (i) Tangible assets | | 43,120,688 | 43,120,688 |
| (ii) Capital work-in-progress | | - | - |
| (b) Non-current investments | 7 | 1,364,093 | 1,554,749 |
| (c) Long term loans and advances | 8 | 1,565,847 | 1,565,847 |
| (d) Deferred tax assets (net) | 9 | 183,483 | 689,950 |
| (e) Other non-current assets | | | |
| (2) Current assets | | | |
| (a) Inventories | 10 | 3,656,987 | 5,648,987 |
| (b) Trade receivables | 11 | - | 2,326,547 |
| (c) Cash and Bank Balances | 12 | 784,323 | 2,250,641 |
| (d) Short-term loans and advances | 13 | 97,813 | 53,550 |
| (e) Other current assets | 14 | 678,713 | 994,609 |
| TOTAL- ASSETS | | 59,765,938 | 67,387,509 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE FOR, **SUNIL JOHRI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG. NO. 005960C

FOR **GANGOTRI CEMENT LIMITED**
CIN:L26942CT1991PLC006677

SUMIT BANERJEE
PARTNER
M. NO. 411114

(DIPESH SETH)
DIRECTOR
DIN:01563498

(PARAG PRATAP SHAH)
DIRECTOR
DIN:02619924

PLACE: RAIPUR
DATE: 30.05.2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

| Particulars | NOTE NO. | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|-----------------|-------------------------|-------------------------|
| I. Revenue from operations (Gross) | 15 | - | 12,033,235 |
| Less:- Excise Duty | | - | - |
| | | - | 12,033,235 |
| II. Other Income | 16 | 1,419,934 | 134,540 |
| III. Total Revenue (I +II) | | 1,419,934 | 12,167,775 |
| IV. Expenses: | | | |
| Cost of materials consumed | 17 | 1,992,000 | 2,106,220 |
| Cost of Traded Goods | 18 | - | 6,043,853 |
| Changes in inventories of finished goods | 19 | - | - |
| Employee benefit expenses | 20 | 608,750 | 533,750 |
| Financial Cost | 21 | 3,569,180 | 1,602,440 |
| Depreciation | 6 | 867,949 | 961,392 |
| Other Expenses | 22 | 1,658,649 | 1,961,825 |
| Total Expenses | | 8,696,528 | 13,209,479 |
| V. Profit before exceptional items and tax (III - IV) | | (7,276,593) | (1,041,704) |
| VI. Extraordinary item | | - | - |
| VII. Prior Period Expenses Items | | 749,503 | - |
| VIII. Profit before tax (V - VI) | | (8,026,097) | (1,041,704) |
| IX. Tax expense: | | | |
| (a) Current tax | | - | - |
| (b) MAT Credit Entitlement | | - | - |
| (c) Net current tax expense (a-b) | | - | - |
| (2) Deferred tax (Asset)/Liabilities | | - | 176,726 |
| | | - | 176,726 |
| X. Profit (Loss) for the year | (VIII-IX) | (8,026,097) | (1,218,430) |
| XI. Transfer to Profit & Loss A/c | | (8,026,097) | (1,218,430) |
| XII. Earning per equity share of Rs.10 Each | | | |
| Basic & Diluted | 23 | (2.44) | (0.38) |
| Weighted average no. of equity share outstanding | | 3,288,324 | 3,238,324 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE
FOR **SUNIL JOHRI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG. NO. 005960C

FOR **GANGOTRI CEMENT LIMITED**
CIN: L26942CT1991PLC006677

SUMIT BANERJEE
PARTNER
M. NO. 411114
PLACE: RAIPUR
DATE: 30.05.2017

(DIPESH SETH) (PARAG PRATAP SHAH)
DIRECTOR DIRECTOR
DIN:01563498 DIN:02619924

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.16 TO 31.03.17

| | Year 2016-2017 | Year 2015-2016 |
|--|--------------------|---------------------|
| | Rs. | Rs. |
| A) Cash Flow From Operating Activities :- | | |
| 1. Net Profit/(Loss) before Taxes and Exceptional Items | (8,026,097) | (1,041,704) |
| Adjustments for:- | | |
| Depreciation | 867,949 | 961,392 |
| Interest Charged to P & L A/c | 3,569,180 | 1,602,440 |
| Other Non Cash Items | 72,370 | 72,370 |
| 2. Operating Profit before Working Capital Changes | (3,516,598) | 1,594,497 |
| Adjustments for:- | | |
| Trade & other Receivable | 3,222,933 | 681,238 |
| Inventories | 1,992,000 | 12,440,128 |
| Trade Payables & other Liabilities | (1,373,373) | (15,245,798) |
| Cash generated from Operations | 324,962 | (529,934) |
| Direct Taxes Paid | - | - |
| Net Cash from Operating Activity (A) | 324,962 | (529,934) |
| B) Cash Flow From Investing Activities :- | | |
| Purchase of Fixed Assets | - | - |
| Decrease/ increase in Capital Work in Progress | - | (17,782,939) |
| Sale of Investment | - | - |
| Net Cash from Investing Activity (B) | - | (17,782,939) |
| C) Cash Flow From Financing Activities :- | | |
| Proceeds from Share Capital | - | - |
| Proceeds from Unsecured Loans (Net) | 2,670,203 | 12,310,000 |
| Proceed from Bank Borrowing (Net) | (892,304) | 7,103,213 |
| Interest Paid | (3,569,180) | (1,602,440) |
| Net Cash From Financing Activities (C) | (1,791,281) | 17,810,773 |
| D) Net Increase / (Decrease) in Cash & Cash Equivalents ((A)+(B)+(C)) | (1,466,319) | (502,099) |
| E) Cash and Cash Equivalent at beginning of the Year | 2,250,641 | 2,752,741 |
| F) Cash and Cash Equivalent at end of the Year (D+E) | 784,323 | 2,250,642 |

NOTE:-

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1. The above cash flow Statement has been prepared under the "Indirect Method" as set out in accounting Standard (AS)-3 on Cash Flow.
2. Previous Year figures have been regrouped / recast wherever necessary.

AS PER OUR REPORT OF EVEN DATE
FOR **SUNIL JOHRI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG. NO. 005960C

FOR **GANGOTRI CEMENT LIMITED**
CIN: L26942CT1991PLC006677

SUMIT BANERJEE
PARTNER
M. NO. 411114
PLACE: RAIPUR
DATE: 30.05.2017

(DIPESH SETH) (PARAG PRATAP SHAH)
DIRECTOR DIRECTOR
DIN:01563498 DIN:02619924

NOTE ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

| NOTE-1: SHARE CAPITAL | AS AT 31.03.2017 (NUMBER) | AS AT 31.03.2016 (INR) | AS AT 31.03.2017 (NUMBER) | AS AT 31.03.2016 (INR) |
|--|--|---------------------------------------|--|---------------------------------------|
| AUTHORISED | | | | |
| Equity Shares Of Rs. 10/- each | 375,000 | 3,750,000 | 375,000 | 3,750,000 |
| TOTAL | 375,000 | 3,750,000 | 375,000 | 3,750,000 |
| ISSUED | | | | |
| Equity Shares of Rs. 10/- each | 333,550 | 3,335,500 | 333,550 | 3,335,500 |
| SUBSCRIBED & PAID UP | | | | |
| I) FULLY PAID UP SHARES | | | | |
| Equity Shares of Rs. 10/- each fully paid | 3,241,148 | 32,411,480 | 3,241,148 | 32,411,480 |
| II) PARTLY PAID UP SHARES | | | | |
| Equity Shares of Rs. 10/- each partly paid for Rs. 5/- | 94,352 | 471,760 | 94,352 | 471,760 |
| TOTAL | 3,335,500 | 32,883,240 | 3,335,500 | 32,883,240 |

The Company has only one class of equity shares having a face value of Rs.10 Each. Each shareholder is eligible for 1 vote per share. However shareholder holding partly paid share cannot vote.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company:-

| Name of the Shareholder | AS AT 31.03.2017 | | AS AT 31.03.2016 | |
|--|-------------------------|-------|-------------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| CONVEYOR BELTING SERVICE PRIVATE LIMITED * | 594,770 | 17.83 | 594,770 | 17.83 |

* Information provided by company and relied by auditor

The Reconciliation of the no. of shares outstanding is said below:-

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|-------------------------|-------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares of Rs 10 paid up at the beginning of the year | 3,241,148 | 3,141,148 |
| Add:- Equity Shares of Rs 10/- each partly paid becomes fully paid up during the year | - | 100,000 |
| Equity Shares of Rs 10 partly paid at the beginning of the year | 94,352 | 94,352 |
| Add:- Shares Issued during the year | - | - |
| Equity Shares at the end of the year | 3,335,500 | 3,335,500 |

| Note - 2 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------|-------------------------|-------------------------|
| RESERVE AND SURPLUS | | |
| SECURITIES PREMIUM | | |
| Opening Balance | - | - |
| Add: During the year | - | - |
| Outstanding at the end of the year | - | - |
| PROFIT AND LOSS A/C | | |
| Opening Balance | (4,648,548) | (3,430,118) |
| Add: Transfer from P & L Account | (8,026,097) | (1,218,430) |
| | (12,674,645) | (4,648,548) |
| TOTAL | (12,674,645) | (4,648,548) |

| NOTE-3 | | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|--|--|-------------------------|
| LONG TERM BORROWINGS:- | | | |
| SECURED | | | |
| ALLAHBAD BANK – TERM LOAN | | 14,561,522 | 15,453,826 |
| TOTAL | | 14,561,522 | 15,453,826 |
| Nature of Security and Terms of Repayment for Long Term Secured Borrowings:- | | | |
| PARTICULARS | TERMS OF REPAYMENT | DETAILS OF SECURITY | |
| ALLAHABAD BANK | Loan Originally Sanctioned Rs. 2.00 Crores out of which Disbursed till 31 st March 2017 Rs. 1.91 Crores. The amount shall be repaid in 20 Quarterly Installments amounting Rs. 954635.00 each, starting from Oct-Dec 16 and last installment on July-Sep'21. Rate of interest is 12.75 % p.a. | 1. Exclusive Hypothecation Charge Over Civil Work, Plant & Mach. & all Other Fixed Assets. 2. Equitable Mortgage Of Freehold Land | |
| LOAN FROM DIRECTORS LONG TERM BORROWINGS:- | | | |
| UNSECURED | | | |
| LOAN FROM RELATED PARTIES: FROM DIRECTORS | | | |
| DIPESH SETH | | 1,828,000 | - |
| PARAG SHAH | | 3,675,000 | 1,575,000 |
| FROM BODY CORPORATES | | | |
| SOUTHERN ISPAT & ENERGY LIMITED | | 11,242,203 | 12,500,000 |
| TOTAL | | 16,745,203 | 14,075,000 |
| G. TOTAL | | 31,306,725 | 29,528,826 |

| NOTE-4 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------|-------------------------|-------------------------|
| TRADE PAYABLES* | | |
| CREDITOR FOR EXPENSES & SERVICES | 633,396 | 358,896 |
| CREDITOR FOR RAW MATERIAL | 1,779,732 | 1,779,732 |
| CREDITOR FOR CAPITAL GOODS | 123,380 | 123,380 |
| TOTAL | 2,536,508 | 2,262,008 |

* Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2017 & 31st March 2016 are not furnished. This information cannot be furnished as the company could not get relevant information from the parties.

| NOTE-5 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| OTHER CURRENT LIABILITIES | | |
| CURRENT MATURITIES OF LONG TERM BORROWINGS | 3,818,540 | 4,000,000 |
| LIABILITIES TOWARDS EMPLOYEES | 175,490 | 156,240 |
| DUTIES AND LIABILITIES | 118,750 | 146,363 |
| ADVANCE FROM CUSTOMERS | 1,000,000 | 2,933,200 |
| OTHER LIABILITIES | 601,330 | 126,180 |
| TOTAL | 5,714,110 | 7,361,983 |

| NOTE-6 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------------|-------------------------|-------------------------|
| FIXED ASSETS | | |
| (i) TANGIBLE ASSETS | | |
| GROSS BLOCK | 21,549,550 | 21,549,550 |
| LESS: DEPRECIATION | 13,235,558 | 12,367,609 |
| NET BLOCK | 8,313,992 | 9,181,941 |
| (ii) CAPITAL WORK IN PROGRESS | 43,120,688 | 43,120,688 |
| TOTAL | 43,120,688 | 43,120,688 |

NOTE -6 FIXED ASSETS

| Name of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|----------------------------------|--------------------------|--------------------------------------|------------------------|--------------|-------------------------------|-----------------------|------------------------|--------------------------|--------------------------|
| | Opening balance as on 01.04.2016 | Addition during the year | Deduction/adjustment during the year | Total as on 31.03.2017 | RATE OF DEP. | Dep. Opening as on 01.04.2016 | Dep during the period | Total as on 31.03.2017 | Balance as on 31.03.2017 | Balance as on 31.03.2016 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| LAND & SITE DEVELOPMENT | 928,655 | - | - | 928,655 | 0.00% | - | - | - | 928,655 | 928,655 |
| BUILDING | 7,979,478 | - | - | 7,979,478 | 3.34% | 2,635,473 | 271,224 | 2,906,697 | 5,072,781 | 5,344,005 |
| PLANT & MACHINERY | 8,706,298 | - | - | 8,706,298 | 4.75% | 6,396,860 | 217,220 | 6,614,080 | 2,092,218 | 2,309,438 |
| TRACTOR LOADER | 150,000 | - | - | 150,000 | 4.75% | 37,946 | 10,540 | 48,486 | 101,514 | 112,054 |
| BIKE | 51,490 | - | - | 51,490 | 9.50% | 23,789 | 5,160 | 28,949 | 22,541 | 27,701 |
| CAR | 645,887 | - | - | 645,887 | 9.50% | 634,894 | 10,993 | 645,887 | - | 10,993 |
| SCOOTER | 8,000 | - | - | 8,000 | 9.50% | 8,000 | - | 8,000 | - | - |
| PRINTER | 3,016 | - | - | 3,016 | 40.00% | 3,016 | - | 3,016 | - | - |
| FURNITURE & FIXTURE | 30,440 | - | - | 30,440 | 6.33% | 30,440 | - | 30,440 | - | - |
| LAB EQUIPMENT | 225,207 | - | - | 225,207 | 4.75% | 225,207 | - | 225,207 | - | - |
| CYCLE | 2,184 | - | - | 2,184 | 9.50% | 2,184 | - | 2,184 | - | - |
| ELECTRICAL INSTALLATION | 2,818,895 | - | - | 2,818,895 | 4.75% | 2,369,802 | 352,812 | 2,722,614 | 96,281 | 449,093 |
| GRAND TOTAL | 21,549,550 | - | - | 21,549,550 | | 12,367,609 | 867,949 | 13,235,558 | 8,313,992 | 9,181,941 |
| PREVIOUS YEAR | 21,549,550 | - | - | 21,549,550 | | 11,406,217 | 961,392 | 12,367,609 | 9,181,940 | 10,143,332 |

| NOTE-7 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| LONG TERM LOANS & ADVANCES | | |
| ADVANCES FOR CAPITAL UNSECURED, CONSIDERED GOOD | | |
| DEPOSITS WITH STATUTORY AUTHORITIES | 707,614 | 898,270 |
| KHANNA ENGINEERING | 10,000 | 10,000 |
| D.S PULP AND PAPER MACHINERY | 500,000 | 500,000 |
| KIRLOSKAR ELECTRIC CO LTD | 118,446 | 118,446 |
| TOTAL (A) | 1,336,060 | 1,526,716 |
| ADVANCE TO SUPPLIERS | | |
| ADVANCE FOR RAW MATERIAL LARSEN & TOUBRO | 28,033 | 28,033 |

| | | |
|---|------------------|------------------|
| TOTAL (B) | 28,033 | 28,033 |
| TOTAL LONG TERM LOANS & ADVANCES | 1,364,093 | 1,554,749 |

| NOTE-8 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| DEFERRED TAX ASSEST | | |
| DEFERRED TAX ASSESTS ON ACCOUNT OF UNABSORBED DEPRECIATION\LOSS AND DISALLOWANCES UNDER INCOME TAX ACT | 2,403,985 | 2,403,985 |
| LESS: DEFERRED TAX LAIBILITY ON ACCOUNT OF DEPRECIATION AND REVERSAL OF ASSETS | 838,138 | 838,138 |
| TOTAL | 1,565,847 | 1,565,847 |

| NOTE-9 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---------------------------------|-------------------------|-------------------------|
| OTHER NON-CURRENT ASSETS | | |
| PRELIMINARY AND OTHER EXPENSES | - | - |
| DEBTORS OVER 12 MONTHS:- | | |
| GYANDEEP ASSOCIATES | - | 401,730 |
| ARHAM INCORPORATION | - | - |
| NAVKAR DISTRIBUTORS | - | - |
| UTTAM GALVA METALLICS | - | 14,333 |
| MANISH MITTAL | 183,483 | 183,483 |
| VIVEK TRADERS | - | 90,404 |
| TOTAL | 183,483 | 689,950 |

| NOTE-10 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------|-------------------------|-------------------------|
| INVENTORIES | | |
| RAW MATERIALS | 3,656,987 | 5,648,987 |
| FINISHED GOODS | - | - |
| TOTAL | 3,656,987 | 5,648,987 |

In the opinion of the Board, Inventories have a value on realization in ordinary course of business, at least equal to the amount at which they are stated.

| NOTE-11 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| TRADE RECEIVABLES OVER SIX MONTHS | | |
| UNSECURED, CONSIDERED GOOD | - | - |
| LESS THAN SIX MONTHS | | |
| UNSECURED, CONSIDERED GOOD | - | 2,326,547 |
| TOTAL | - | 2,326,547 |

Sundry Debtors are subject to confirmation / reconciliation and adjustments, if any, the Management does not expect any material difference affecting the current year's financial statements.

| NOTE-12 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------------------|-------------------------|-------------------------|
| A. CASH AND CASH EQUIVALENTS | | |
| CASH IN HAND | 650,033 | 2,217,386 |
| BALANCES WITH BANKS CURRENT ACCOUNT | 134,290) | 33,256 |
| TOTAL | 784,323 | 2,250,641 |

Balance with banks in current account are subject for reconciliation.

| NOTE-13 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------|-------------------------|-------------------------|
| SHORT TERM LOANS AND ADVANCES | | |
| ADVANCES RECEIVABLES | 31,738 | 53,550 |
| PREPAID EXPENSES | 66,075 | - |
| TOTAL | 97,813 | 53,550 |

| NOTE-14 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------|-------------------------|-------------------------|
| OTHER CURRENT ASSETS | | |
| ADVANCE TO SUPPLIER (MATERIAL) | 113,508 | 113,508 |

| | | |
|--|----------------|----------------|
| ADVANCES RECIEVABLE FROM STATUTORY AUTHORITIES | 565,205 | 881,101 |
| TOTAL | 678,713 | 994,609 |

In the opinion of the Board, Current Assets, have a value on realization in ordinary course of business, at least equal to the amount at which they are stated.

| NOTE-15 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------|-------------------------|-------------------------|
| REVENUE FROM OPERATIONS | | |
| SALE OF PRODUCTS | | |
| MANUFACTURING SALES | - | 3,312,835 |
| TRADING SALES | - | 8,720,400 |
| TOTAL | - | 12,033,235 |

| NOTE-15.1 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|-------------------------|-------------------------|
| REVENUE FROM OPERATIONS | | |
| SALE OF PRODUCTS | | |
| MANUFACTURING GOODS SALES | | |
| CEMENT SALES | - | 3,312,835 |
| SALE OF MANUFACTURED GOODS TOTAL | - | 3,312,835 |
| TRADED GOODS | | |
| 1. FABRIC TRADING | - | 8,720,400 |
| 2. CLINKER SALE | - | - |
| TRADED GOODS TOTAL | - | 8,720,400 |

| NOTE-16 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---------------------|-------------------------|-------------------------|
| OTHER INCOME | | |
| INTEREST RECD | 49,617 | 75,917 |
| DISCOUNT/COMMISSION | 1,370,317 | - |
| MISC. INCOME | - | 58,623 |
| TOTAL | 1,419,934 | 134,540 |

| NOTE-17 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|-------------------------|-------------------------|
| COST OF MATERIALS CONSUMED | | |
| OPENING STOCK | 5,648,987 | 18,089,114 |
| PURCHASE & INCIDENTAL EXPENSES & OTHERS | - | 666,092 |
| | 5,648,987 | 18,755,206 |
| LESS: CAPTIVELY CONSUMED | - | 11,000,000 |
| LESS: CLOSING STOCK | 3,656,987 | 5,648,987 |
| MATERIALS CONSUMED | 1,992,000 | 2,106,220 |

| | | |
|---|------------------|------------------|
| IMPORTED AND INDIGENOUS MATERIALS CONSUMED | | |
| IMPORTED | - | - |
| INDIGENOUS | 1,992,000 | 2,106,220 |
| TOTAL | 1,992,000 | 2,106,220 |

| | | |
|--|------------|--------------------|
| DETAILS OF MATERIALS CONSUMED | | |
| CLYNKER \GYPSUM | - | (4,696,926) |
| SLAG | (0) | 482,177 |
| BAGS\PACKING MATERIAL\GRINDING BALLS \CONSUMABLE STORE | - | 277,116 |
| TOTAL | (0) | (3,937,633) |

| NOTE -18 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|-------------------------|-------------------------|
| CHANGE OF TRADED GOODS | | |
| OPENING STOCK | - | - |
| PURCHASE & INCIDENTAL EXPENSES & OTHERS | - | 6,043,853 |
| COST OF TRADING PURCHASE | - | 6,043,853 |

| | | |
|-----------------------------|---|------------------|
| LESS: CLOSING STOCK | - | - |
| COST OF TRADED GOODS | - | 6,043,853 |

| NOTE -19 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| CHANGE IN FINISHED GOODS | | |
| OPENING STOCK | - | - |
| FINISHED GOODS | - | - |
| CLOSING STOCK | - | - |
| FINISHED GOODS | - | - |
| ACCRETION / DECRETION OF FINISHED GOODS | - | - |

| NOTE - 20 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------|-------------------------|-------------------------|
| EMPLOYEE BENEFIT | | |
| SALARY | 589,500 | 514,500 |
| GRATUITY | 19,250 | 19,250 |
| TOTAL | 608,750 | 533,750 |

There was no employee at any time during the year drawing Rs.200000/- or more per month.

| NOTE -21 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------|-------------------------|-------------------------|
| FINANCIAL COSTS | | |
| BANK COMMISSION CHARGES | 10,573 | 42,447 |
| INTEREST ON TERM LOAN | 2,371,107 | 1,559,993 |
| INTEREST ON UNSECURED LOAN | 1,187,500 | - |
| TOTAL | 3,569,180 | 1,602,440 |

| NOTE -22 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--|-------------------------|-------------------------|
| OTHER EXPENSES | | |
| MANUFACTURING EXPENSES | | |
| ELECTRICITY CHARGES | 1,210,203 | 797,605 |
| TRANSPORATION CHARGES (CLINKER,GYPSUM,SLAG) | - | 452,703 |
| WAGES | 86,445 | 128,018 |
| CST | - | 1,1173 |
| TOTAL (A) | 1,296,648 | 1,379,499 |

| | | |
|---|------------------|------------------|
| ADMINISTRATIVE EXPENSES | | |
| ADVERTISEMENT EXPENSES | - | 2,245 |
| BIS FEES | 16,411 | 45,964 |
| CAR INSURANCE | 6,320 | 6,060 |
| CDSL FEES | 10,710 | 10,970 |
| LEGAL FEES | - | 80,000 |
| LISTING FEES | 224,720 | 224,720 |
| LOADING FEES | - | 135 |
| PAYMENT OT AUDITORS | 34,500 | 32,504 |
| POLLUTION BOARD | - | 1,00,000 |
| PRINTING & STATIONERY | 6,890 | 7,277 |
| PROFESSIONAL FEES | 30,000 | 30,000 |
| ROC FEES | - | 20,000 |
| REGISTRAR FEES | 25,000 | - |
| TAX AUDIT FEES | - | 15,000 |
| WEBSITE DESIGNING | 7,450 | 7,450 |
| TOTAL (B) | 362,001 | 582,325 |
| TOTAL OTHER EXPENSES TOTAL (A+B) | 1,658,649 | 1,961,825 |

| NOTE -22.1 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------|-----------------------------|-------------------------|
| PAYMENT TO AUDITORS | | |
| COMPANY AUDIT FEES | 22,500 | 22,500 |

| | | |
|----------------|---------------|---------------|
| LIMITED REVIEW | /,500 | 6,741 |
| SERVICE TAX | 4,500 | 3,263 |
| TOTAL | 34,500 | 32,504 |

NOTES FORMING PART OF FINANCIAL STATEMENT

NOTES ON ACCOUNTS: -

23. Computation of basic and diluted earnings per share:

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|---|-------------------------|--------------------------|
| Net Profit after tax | -8026096 | -1218430 |
| Weighted average number of Equity Share | 3288324 | 3288324 |
| Nominal Value per share | 10.00 | 10.00 |
| Basic and Diluted Earnings Per share | -2.44 | -0.38 |

24. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
25. In the Opinion of the Board of directors, the loans, advances and other current & non-current assets have a value on realization in the ordinary course of business, at least equal to the amounts of which these are stated and that the provisions for the known liabilities are adequate and not in excess of the amount reasonably necessary.
26. The outstanding balance at the yearend in respect of Sundry Creditors, Loans and Advances, Deposits are subject to confirmation / reconciliation from the respective parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The company however does not expect any material effect in a particular year or in future years.
27. The current liabilities include an amount of Rs.1000000 lying in trust under Rule 2(c)(ix) of Companies Acceptance of Deposits) Rules, 2014 as explained by the Management.
28. In the opinion of the management there is no such events occurred after the date of Balance sheet, which needs disclosure in these accounts.
29. In respect of Micro / Small / Medium Enterprises Development Act, 2006, certain disclosure is required to made relating to Micro / Small / Medium Enterprises. The company could not get relevant information from its supplier about their coverage under the Act since the relevant information is not readily available, no disclosure have been made in the account. Hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act have not been made.
30. There were no employees at any time during the year drawing Rs.500000/- per month or more.
31. Details of Employee benefits as required by the Accounting Standard 15 "Employee Benefits" are given below:-
- (a) Defined Contribution Plans:-
During the year the company has not employed more than 10 employees and therefore no Statutory Act Related employee are applicable. However company has not recognized any amount for Defined Contribution in the profit & loss Accounts as the employee's are not permanent.
- (b) Defined benefit plan:-
Provision of gratuity for the employee of Rs. 19250/- on the basis of the formula given in Annexure -1 of accounting policy point no.12 (b) of accounting Polices, only for that employee who has completed continuous five year service in the enterprises. Above provision of gratuity is not accordance with AS-15.
- (c) Gratuity provision is not in accordance with AS-15.
32. There is no claim against the company not acknowledged as debts.

33. **Deferred tax** : In accordance with the Accounting Standard - 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, which has become mandatory from 1st April' 2002 for listed companies, the company has not accounted for deferred tax Assets during the year on account of virtual certainty of reversal of the same. Consequently, the cumulative net deferred tax Liability of Rs. 1565847/- as on 31st March' 2016 shall be continued as on 31st March 2017 and therefore No Deffered tax Assets for the current year has been recognized in Statement of Profit & Loss.

35. Segment Reporting

Segment Reporting as required by Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India:-.

(A) Business Segment: - The Company has considered business segment as the primary segment to disclose. The company is engaged in the manufacture Portland / Slag Cement, which is the context of AS-17 issued by the Institute of Chartered Accountant of India, is considered the only two business segment. Other business, include Trading in fabrics.

(Rs. In Lacs)

| PARTICULARS | Current year (2016-17) | Previous year (2015-16) |
|---|---------------------------|----------------------------|
| 1. Segment Revenue | | |
| Cement | 0.00 | 33.13 |
| Fabrics | 0.00 | 87.20 |
| Total Segment Revenue | 0.00 | 120.33 |
| 2. Segment Result (Profit /Loss before Tax and interest from each segment) | | |
| Cement | -80.26 | -29.78 |
| Fabrics | 0.00 | 19.31 |
| Total Segment Results Before Tax | -80.26 | -10.41 |
| <u>Tax Expense</u> | | |
| Current Tax | 0.00 | 0.00 |
| Deffered Tax | 0.00 | 1.77 |
| Total Segment Results After Tax | -80.26 | -12.18 |
| 3. Other Information | | |
| I Segment Assets | | |
| Cement | 597.66 | 650.61 |
| Fabrics | 0.00 | 23.27 |
| Total Assets | 597.66 | 673.88 |
| II Segment Liabilities | | |
| Cement | 395.57 | 391.53 |
| Fabrics | 0.00 | 0.00 |
| Total Liabilities | 395.57 | 391.53 |
| III Capital Expenditure (Including work In progress) | | |
| Cement | 431.21 | 431.21 |
| Fabrics | 0.00 | 0.00 |
| Total | 431.21 | 431.21 |
| IV Depreciation | | |
| Cement | 8.68 | 9.61 |
| Fabrics | 0.00 | 0.00 |
| Total | 8.68 | 9.61 |
| V Non Cash Expenditure other than depreciation | | |
| Other (Preliminary Exp. W/o) | 0.00 | 0.00 |
| Total | 0.00 | 0.00 |

(B) Geographical Segment: - The Company sale its products within India. The condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

36. Related Party Disclosures:

Disclosures as required by accounting standard 18 (AS-18) related party disclosures issued by the Institute of Chartered Accountants of India are as follows and description of relationship.

Related party disclosures under accounting standard 18.

- i. Other related parties with whom transactions have taken place during the year Subsidiaries - NIL
- ii. Key management personnel
 - a. Shri Dipesh M. Sheth (Director)
 - b. Shri Parag P Shah (Director)
- iii. Relative of Key management personnel where transaction have been taken place. NIL
- iv. Transaction with related parties referred to above in ordinary course of business.

Rs in Lacs

| Nature of Transaction | Referred in 32 (ii) above | Referred in 32 (iii) above |
|----------------------------|------------------------------|-------------------------------|
| Remuneration paid / salary | -- | -- |
| Loan received | 47.28 | -- |
| Loan Repaid | 8.00 | -- |
| Outstanding | 55.03 | -- |

Notes: Related party relationship in terms of Accounting Standard 18 as given above is pointed out by the management and relied upon by the Auditors.

37. Foreign Exchange Earning and Outgo :

| S.No. | Particulars | 2016-17 | 2015-16 |
|-------|--|---------|---------|
| 1 | CIF Value of Import | Nil | Nil |
| 2 | Expenditure in foreign exchange (No direct payment by company in foreign currency) | Nil | Nil |
| 3 | Earning in foreign exchange | Nil | Nil |
| 4 | Remittance in foreign currency for dividend | Nil | Nil |

38. During the year company had not operated its manufacturing facilities for whole year i.e. from 01/04/2016 to 31/03/2017. Management has offered explanation that this has been done for avoidance of further cash losses & to avoid volatile and worst market conditions. Since then no production activities was undertaken by management but they were confident enough to start production with favorable market scenario.

39. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 as provided in the table below:

| | <i>SBNs</i> | <i>Other Denomination Notes</i> | <i>Total</i> |
|--|-------------|---|--------------|
| Closing cash in hand as on 08.11. 2016 | 850000.00 | 488548.00 | 1338548.00 |
| (+) Permitted receipts (from Banks) | 0 | 200000.00 | 200000.00 |
| (-) Permitted payments | 0 | 25865.00 | 25865.00 |
| (-) Amount deposited in Banks | 850000.00 | 0 | 850000.00 |
| Closing cash in hand as on 30.12. 2016 | 0 | 662683.00 | 662683.00 |

BOOK-POST

If Undelivered, Please Return To:

GANGOTRI CEMENT LIMITED

REGISTERED OFFICE :

Village Kharora, Dist.: Raipur, Pin Code - 493 225 (C. G.)