



BHILAI ENGINEERING CORPORATION LIMITED

(AN ISO:9001, ISO:14001, OHSAS:18001 Company)

Regd. Office & Head Office:

Hathkhaj Village, Industrial Area, Bhilai – 490026, Dist: Durg, Chhattisgarh, India

Tel: + 91- 788-4088100, Fax: +91-788-4088131, E-mail: bec.engg@bec-group.com, Website: www.bec-group.com

CIN: L29111CT1960PLC000913

NOTICE IS HEREBY GIVEN THAT THE 58th ANNUAL GENERAL MEETING OF M/S BHILAI ENGINEERING CORPORATION LIMITED (CIN: L29111CT1960PLC000913) WILL BE HELD AT THE REGISTERED OFFICE AT HATHKHOJ VILLAGE, INDUSTRIAL AREA, BHILAI ON SATURDAY, THE 29TH SEPTEMBER, 2018 AT 11:00 A.M., TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2018 and the Balance Sheet as at that date together with the report of the Board of Directors and Auditors thereon.

2. **Appointment of Director:-**

To appoint a Director in the place of Shri Ashish Jain (DIN: 00207048) who retires by rotation and is eligible for reappointment.

3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the resolution passed by the members in the 57th AGM of the Company held on 29th September, 2017 and pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of **M/s Laxmi Tripti & Associates**, Chartered Accountants, Durg (Firm Registration No. 009189C) as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 62nd Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditor of the Company.”

“RESOLVED FURTHER that the Board (including its Audit Committee) of the Company be and is hereby authorized to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution”.

4. **Remuneration to Cost Auditors:-**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to section 148(3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost Records and Audit Rules) 2014. M/s S. Chander & Associates, Cost Accountants, Delhi (The Firm's Registration No. 100105) be and are hereby appointed as the Cost Auditors of the Company to conduct Audit of cost records made and maintained by the Company pertaining to “Product of Oxygen, Steel, other Machinery, Parts of Railway Rolling Stock, Inorganic Chemical, Fertilizer, Ore and Mineral products and other Products etc. for the financial year 2018-2019 as a remuneration of Rs. 2,95,000/- (Rupees Two Lakh Ninety Five Thousand Only) plus service tax and re-imbursement of out of pocket expenses.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. **Change of designation of Director:-**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and pursuant to Article of Association of the Company, be and is hereby accorded to change the designation of Smt. Krishna Jain (DIN: 00207724) from Executive Director (whole time director) to Non-Executive Director (Director) of the Company.

RESOLVED FURTHER THAT all the Directors, be and are hereby severally authorized to file necessary e-forms and returns with the Registrar of Companies, Chhattisgarh, in this regard.”

Registered Office

Hathkhoj Village,
Industrial Area,
BHILAI-490026 (C.G.)

By Order of the Board

SD/-

Geetika Jain
(Mg. Director)
DIN: 00207695

Dated: **23rd September, 2018**

NOTES:

1. Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the Meeting instead of himself/herself and a proxy need not be a Member of the Company.
2. In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty in number and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent 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 proxy for any other member.
4. Corporate Members intending to send their authorised representatives to attend the Annual General meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
5. Members, Proxies and Authorised Representatives are requested to bring to the Meeting, the attendance slip, enclosed herewith duly completed and signed.

6. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed **from 26th September, 2018 to 29th September, 2018**, both days inclusive on account of Annual General Meeting.



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(AN ISO:9001, ISO:14001, OHSAS:18001 Company)

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CIN: L29111CT1960PLC000913

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 58th Annual Report together with the Audited accounts of the Company for the financial year ended 31st March 2018.

FINANCIAL RESULTS:-

(Amount Rs. In Lac)

PARTICULARS	F.Y. 2017-18	F.Y. 2016-17
Sales and other Income	93,187.87	88,314.10
Gross Profit before depreciation	3,687.61	8,148.73
Depreciation	2,297.89	2,424.98
Profit before tax during the year	1,389.72	5,723.75
Provision for Taxation	645.00	2,136.00
Deferred Tax Liabilities	(175.68)	(16.23)
Profit for the year from continuing operations	920.40	3,603.98

THE YEAR IN RETROSPECT & FUTURE PROSPECTS: -

Company's profit before tax decreased, Inspite of slightly better turnover as compared to preceding year. After tax provision PAT for the year is Rs.920.40 Lac (Rs.3603.98 Lac). Your Directors are confident that the financials of the Company will improve in the years to come once Industrial environment specially steel sectors pickup.

DIVIDEND:-

The Board of Directors decides not to recommend dividend for the year 2017-18 in order to consolidate its financial strength.

DIRECTORS:-

Shri Ashish Jain (DIN: 00207048) retires from the Board by rotation and being eligible offers himself for re-appointment.

The present term of Smt. Krishna Jain (DIN: 00207724), as whole time Director of the Company was expiring on 1st June, 2018. It is proposed to appoint Smt. Krishna Jain as Director of the Company or she will be relieved from her designation as per the decision of the company.

EXTRACT OF ANNUAL RETURN:-

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** is attached as a part of this Annual Report. (**ANNEXURE- A**)

Corporate Social Responsibility:-

The Company has constituted a Corporate Social Responsibility Committee (CSR) in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee consists of Shri S. K. Jain as Chairman, Shri Veenu Jain and Shri Ashish Jain as members. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: <http://www.bec-group.com>

The disclosures with respect to CSR activities forming part of this Report are given as **Annexure-B**.

Fixed Deposits:-

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposits) Rules, 2014.

Change in the nature of business, if any:-

No Change in the nature of the business activities of the Company has taken place during this year.

COST AUDITORS:-

Pursuant to the directive from the Ministry of Corporate Affairs regarding appointment of Cost Auditor, M/s S. Chander & Associates, Cost Accountants, Delhi have been appointed as the Cost Auditor of the Company for the financial year 2018-19. The Cost Audit Report in respect of Financial Year 2016-17 was filed on 26th June, 2018 through **SRN G90521626**. The section 148 (3) of the Companies Act, 2013 requires that the remuneration of Cost Auditors shall require the ratification of shareholders and accordingly the appropriate resolution has been included in the notice convening the 58th Annual General Meeting.

Your Directors recommend the approval of resolution for re-appointment and fixation of remuneration of Auditors for the Financial Year 2018-19.

Statutory Auditors:-

M/s Laxmi Tripti & Associates, Chartered Accountants, (Firm Registration Number: 009189C) were reappointed as Statutory Auditors of the Company in the 57th (Fifty Seventh) Annual General Meeting of the Company for a period of five years i.e. until the conclusion of the 62nd (Sixty Second) Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting by the shareholders.

The Board proposes ratification of appointment of **M/s Laxmi Tripti & Associates** as Statutory Auditors of the Company for approval of the shareholders in the ensuing Annual General Meeting.

Secretarial Audit:-

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Satish Batra & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made by the Secretarial Auditor in the Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached hereto as **Annexure-C**.

Share Capital:-

The Company has not issued any securities during the year.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 7 (Seven) times during the financial year from 1st April, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows:-

Sr. No.	Date of Board meeting
1	21 st April, 2017
2	23 rd May, 2017
3	5 th July, 2017
4	1 st September, 2017
5	1 st November, 2017
6	16 th January, 2018
7	26 th March, 2018

The Meetings were held within the period prescribed under the Companies Act, 2013.

Particulars of loans, guarantees or investments under section 186:-

The details of loan and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are covered in the notes to the financial statements.

INDIAN ACCOUNTING STANDARDS (Ind AS):-

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016 with a transition date of 1st April, 2015. The Financial Results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with Ind AS.

Particulars of contracts or arrangements with related parties:-

All contracts/arrangements/transactions entered by the Company during the financial year under review with related parties were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained for the transactions which were of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee for its approval on a quarterly basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 as **(ANNEXURE- II)**. Further Transactions with related parties are detailed in Note No.35 to the financial statements.

Directors' Responsibility Statement:-

As required under section 134 (3)(c) of the Companies Act, 2013, The Directors hereby state that:-

- (a) first time the preparation of the annual accounts under IND AS, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts under IND AS on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:-

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

The Company is committed to upholding and maintaining the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaint was received.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:-

As regarding remarks of auditors, the notes given to the accounts give proper explanations in respect of remarks made by the auditors in their report and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

However, it has been qualified that the provisions of section 185 and 186 of the Companies Act, 2013 have not been complied with in case of some specific transactions. Further for appointment of whole time Company Secretary necessary steps has been taken and announcement inviting resume has been made.

Acknowledgements:-

Your Directors take this opportunity to place on record their due appreciation of the valuable contribution and the spirit of dedication of the employees at all levels during the year. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by Customers, Distributors, Suppliers/ Services Providers, Banks, various Governmental Organisations/ Agencies and shareholders and look forward for their continued support and Co-operation in future also.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:-

a). **Conservation of Energy:-**

Information relating to Energy consumption and conservation as required under Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1989 is given in **Annexure –I** forming part of this report.

b). **Technology Absorption and Research & Development:-**

The Company has in-house Research & Development Section and steps have been taken during the period for:-

- i. Improvement in quality of various products.
- ii. Improvement in yield of raw material consumption.
- iii. Improvement in cost effectiveness.

c). **Foreign Exchange Earning & Outgo:-**

- i. Earnings : Rs. **4,908.26** lac.
- ii. Outgo : Rs. **3,343.09** lac.

Registered Office:

Hathkhoj Village, Industrial Area,
Bhilai (C.G.)- 490026

FOR AND ON BEHALF OF THE BOARD

SD/-

VEENU JAIN
(Mg. Director)
DIN: 00207165

SD/-

GEETIKA JAIN
(Mg. Director)
DIN: 00207695

Place: Bhilai

Date: 23rd September, 2018

BHILAI ENGINEERING CORPORATION LIMITED

ANNEXURE –I to Directors' Report

For disclosure of particulars with respect to conservation of energy:-

Sl No.	Power and Fuel Consumption	F. Y. 2017-18	F. Y. 2016-17
1	Electricity		
	a) Purchased		
	Units	19442147	20558001
	Total Amount	137978684	148037272
	Average rate per unit	7.10	6.78
	b) Own Generation		
	Units	92189	101177
	Units/Liter of Diesel oil	3.00	3.08
	Cost/Unit	21.07	19.65
	c) Own Generation –TG		
	Units	1676900	1428966
2	Furnace Oil		
	Qty. (K.L.)	4518	625
	Value per K. Ltrs. of.oil	54601	71443
3	Consumption per unit of production standard (if any)		
	Electricity Consumption (KWH)/MT Finished Steel and Iron Castings Structural Steel & Equipment	1844.36	1941.17
	Electricity Consumption (KWH)/MT of SSP/GSSP Incl Acid	31.11	34.78
	Electricity Consumption (KWH)/MT of NPK	NA	20.33
	Electricity Consumption (KWH)/MT of SSF	250.65	250
	Furnace Oil Consumption (KL)/MT of Steel and Iron Castings.	0.653	0.097
	Electricity Consumption (KWH)/MT of fruit pulp	479	471
	Electricity Consumption (KWH)/MT of Milk Processing	50.58	46.77

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 arms length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Amount Rs. In Lakh)

SR. No.	Name of related party	Relationship	Nature of Transactions	Transactions
				31.03.2018
1	Bhilai Motor Car CO.	Associate	Purchase Of Diesel & Oil	94.14
2	Bharat Industrial Works (Bhilai) Pvt. Ltd.	Associate	Purchase Of Goods	147.09
3	Bhilai Engineering Industries Ltd.	Associate	Rent Received	13.20
			Consultancy & Retainership	264.00
			Contract Work	37.49
			Rent Paid	60.00
			Interest Recd.	123.95
4	BEC Fertilizer Limited	Associate	Purchase of Goods	30.16
5	Vishva-Vishal Engineering Ltd.	Associate	Purchase of Goods	29.19
			Rent Paid	24.00
6	Kiosk Properties Pvt. Ltd.	Associate	Rent Paid	6.00
7	Jafferson Leasing & Fin Pvt. Ltd.	Associate	Rent Paid	12.00
8	Bec Impex International (P) Ltd.	Associate	Rent Paid	9.00
			Interest Recd.	73.79
9	Shri Ashish Jain	Director	Rent Paid	1.80
10	Bec Infra Pvt Ltd	Associate	Contract Work	6881.80
11	Arkas Industries (P) Ltd.	Associate	Consultancy & Retainership Charges	180.00
			Rent Paid	39.00
12	Bhilai Food Products Co.	Associate	Sale of Goods	929.10
			Contract work	156.52
			Interest recd.	0.33
13	Kirtiman Infrastructure (P) Ltd.	Associate	Interest Paid	1.95
14	Sudha Investment Limited	Associate	Rent Paid	0.60

15	MS Geetika Jain	Director	Rent Paid	18.00
16	Richfield Leasing Finvest Pvt. Ltd.	Associate	Hire Charges	13.75
17	Kirtimoya Capital Ltd.	Associate	Interest Paid	2.80
			Interest Received	53.29
18	Perennial Finance & Investments (P) LTD.	Associate	Interest Paid	24.00
			Interest Received	0.29
19	Shri Veenu Jain	Director	Interest Paid	69.42
20	Smt. Poonam Jain	Relative of Director	Remuneration	18.00
			Perquisites	0.40
			Rent Paid	18.00
21	Smt. Kanika Jain	Relative of Director	Remuneration	60.40
			Perquisites	
			Rent Paid	2.70
22	Smt. Shipra Jain	Relative of Director	Remuneration	60.40
			Perquisites	
23	Shri Arjun Rai Jain	Relative of Director	Remuneration	33.25
			Perquisites (PF)	1.44
			Interest Paid	3.92
24	Smt. Rachna Jain	Relative of Director	Interest Paid	9.85
25	Shri A.K. Jain (HUF)	Relative of Director	Rent Paid	2.70
26	Shri Viren Rai Jain	Relative of Director	Rent Paid	1.32
			Interest Paid	2.14
27	Shri Veenu Jain (HUF)	Relative of Director	Rent Paid	0.48
	TOTAL			9511.66

REGISTERED OFFICE:

Hathkhoj Village, Industrial Area,
Bhilai (C.G.) – 490026

FOR AND ON BEHALF OF THE BOARD

SD/-
VEENU JAIN
(Mg. Director)
DIN: 00207165

SD/-
GEETIKA JAIN
(Mg. Director)
DIN: 00207695

Place: Bhilai

Date: 23rd September, 2018

Annexure “A”

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As of financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:-

1.	CIN	L29111CT1960PLC000913
2.	Registration Date	3RD DECEMBER, 1960
3.	Name of the Company	BHILAI ENGINEERING CORPORATION LIMITED
4.	Category/Sub-category of the Company	Company limited by Shares Indian Non-Government Company
5.	Address of the Registered office & contact details	HATHKHOJ VILLAGE INDUSTRIAL AREA, BHILAI -490026 (C. G.)
6.	Whether listed company	LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ENGINEERING	29	87
2	FERTILIZERS	24	10

Category-wise Share Holding

[illegible]

(B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	7890	7890	0.17%	0	7890	7890	0.17%	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total	0	7890	7890	0.17%	0	7890	7890	0.17%	Nil
(B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	NA	4719320	4719320	100%	0	4719320	4719320	100%	0

B) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Balka Services P Ltd	643799	13.64%	0	643799	13.64%	0	Nil
2	Kriner Services P Ltd	640999	13.58%	0	640999	13.58%	0	Nil
3	Surge Services P Ltd	641200	13.59%	0	641200	13.59%	0	Nil
4	BECO Agriculture & Inds P Ltd	646999	13.71%	0	646999	13.71%	0	Nil
5	Bhilai Management Services P Ltd	639399	13.55%	0	639399	13.55%	0	Nil
6	Bhilai Investments Limited	370160	7.84%	0	370160	7.84%	0	Nil
7	Sudha Investments Ltd	390050	8.26%	0	390050	8.26%	0	Nil
8	BEC Impex Intl Pvt Ltd	23800	0.50%	0	23800	0.50%	0	Nil
9	Novel Projects Ltd	115460	2.45%	0	115460	2.45%	0	Nil
10	Mewar Fibre Holdings Limited	48000	1.02%	0	48000	1.02%	0	Nil
11	Kirtiman Capital Ltd	82040	1.74%	0	82040	1.74%	0	Nil
12	Jain Indl & Comm Ent P Ltd	1600	0.03%	0	1600	0.03%	0	Nil
13	Ashish Indl & Comm Ent. Pvt Ltd	1600	0.03%	0	1600	0.03%	0	Nil
14	Jafferson Leasing & Finance Ltd	960	0.02%	0	960	0.02%	0	Nil
15	Cooltex Holdings Ltd	6760	0.14%	0	6760	0.14%	0	Nil
16	J. P. Jain Trust	100959	2.14%	0	100959	2.14%	0	Nil
17	S. K. Jain	10815	0.23%	0	10815	0.23%	0	Nil
18	A. K. Jain	67944	1.44%	0	67944	1.44%	0	Nil
19	Veenu Jain	9614	0.20%	0	9614	0.20%	0	Nil
20	Krishna Jain	91543	1.94%	0	91543	1.94%	0	Nil
21	Ashish Jain	1600	0.03%	0	1600	0.03%	0	Nil
22	Geetika Jain	1600	0.03%	0	1600	0.03%	0	Nil
23	Anandwati Jain	74586	1.58%	0	74586	1.58%	0	Nil
24	S. K. Jain (HUF)	69530	1.47%	0	69530	1.47%	0	Nil
25	Poonam Jain	11599	0.25%	0	11599	0.25%	0	Nil
26	A.K. Jain (HUF)	5199	0.11%	0	5199	0.11%	0	Nil
27	Veenu Jain (HUF)	8000	0.17%	0	8000	0.17%	0	Nil
28	Kanika Jain	1600	0.03%	0	1600	0.03%	0	Nil
29	Rachna Jain	815	0.02%	0	815	0.02%	0	Nil
30	Priyanka Jain	1600	0.03%	0	1600	0.03%	0	Nil
31	Viren Rai Jain	800	0.02%	0	800	0.02%	0	Nil
32	Arjun Rai Jain	800	0.02%	0	800	0.02%	0	Nil
	Total	4711430	99.83%	0	4711430	99.83%	0	Nil

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

SN	Particulars	Shareholding at the beginning of the year		Change in 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	4711430	99.83%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	-	-
	At the end of the year	4711430	99.83%		

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):-

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in 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	7890	0.17%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	PRAMOD KUMAR JAIN	6223	0.13%	Nil	Nil
	SATISH CHAND GUPTA	1426	0.03%		
	ANURADHA MAJUMDAR	199	0.01%		
	R. S. GUPTA	27	00		
	S. B. DATE	15	00		
	At the end of the year	7890	0.17%	Nil	Nil

E) Shareholding of Directors and Key Managerial Personnel:-

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SHRI SURENDRA KUMAR JAIN, DIRECTOR				
	At the beginning of the year	10815	0.23%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	10815	0.23%	Nil	Nil

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	SHRI ARVIND KUMAR JAIN, MANAGING DIRECTOR				
	At the beginning of the year	67944	1.44%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	67944	1.44%	Nil	Nil
SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	SHRI VEENU JAIN, MANAGING DIRECTOR				
	At the beginning of the year	9614	0.20%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	9614	0.20%	Nil	Nil

SN 4	Shareholding of each Directors and each Key Managerial Personnel MISS GEETIKA JAIN, MANAGING DIRECTOR	Shareholding at the beginning of the year		Change in 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	1600	0.03%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	1600	0.03%	Nil	Nil
SN 5.	Shareholding of each Directors and each Key Managerial Personnel SMT. KRISHNA JAIN, WHOLE TIME DIRECTOR	Shareholding at the beginning of the year		Change in 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	91543	1.94%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	91543	1.94%	Nil	Nil
SN 6.	Shareholding of each Directors and each Key Managerial Personnel SHRI ASHISH JAIN, DIRECTOR	Shareholding at the beginning of the year		Change in 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	1600	0.03%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	Nil	Nil
	At the end of the year	1600	0.03%	Nil	Nil

F) 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	1,810,071,713	109,805,200	0	1,919,876,913
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,810,071,713	109,805,200	0	1,919,876,913
Change in Indebtedness during the financial year	0	0	0	0
* Addition	105,959,984	13,488,677	0	119,448,661
* Reduction	492,858,627	32,336,549	0	525,195,176
Net Change	-386,898,643	-18,847,872	0	-405,746,515
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount	1,423,173,071	90,957,328	0	1,514,130,399
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,423,173,071	90,957,328	0	1,514,130,399

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(A) (Amount Rs. In Lac)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		A.K. Jain	Veenu Jain	Geetika Jain	S. K. Jain
1	Gross salary	36.00	36.12	36.00	3.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit -others, specific Perquisites PF	0.88	1.44	4.71	0.85
5	Others, please specify (Performance Bonus)			50.00	
	Total (A)	36.88	37.56	90.71	3.85
	Ceiling as per the Act				

(B)

SN.	Particulars of Remuneration	Name of /WTD/ Manager				
		Krishna Jain				
1	Gross salary	60.00	0			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit -others, specific Perquisites PF	00				
5	Others, please specify					
	Total (B)	60.00	0			
	GRAND TOTAL (A+B)	96.88	37.56	90.71	3.85	229.00
	Ceiling as per the Act					178.06

B. Remuneration to other directors:- (Not applicable)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Not Applicable)

XII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES: (NIL)

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES:-

1. **A Brief outline of the Company’s CSR policy including the statement of intent reflecting the ethos of the Company, broad areas of CSR interest and an overview of activities proposed to be undertaken.**

The Company undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact on the community including on the local areas around where it operates.

Broad areas of CSR Interest and overview of activities

- a. Promoting education;
 - b. Healthcare and sanitation;
 - c. Creating platform for promotion of sports;
 - d. Rural development projects; and
 - e. Other areas mandated under Schedule VII to the Companies Act, 2013.
2. **Web-link to the CSR Policy: <http://www.bec-group.com>**
 3. **The composition of the CSR Committee:-**

- a) **Shri S. K. Jain, Chairman**
- b) **Shri Veenu Jain, Managing Director**
- c) **Shri Ashish Jain, Director**

Particulars	Amount Rs. In Lac
Average Net Profit of the Company for the last three financial years	3112.98
The prescribed CSR outlay (2 per cent of the average net profit)	62.26
Details of CSR spent during 2017-18	6.85
Amount unspent	55.41

4. Company is in dialogue with authorities of State Govt., NGOs & other institutions so that the expenses on CSR activities can be increased for betterment of needy peoples of adjoining areas of works of the Company situated in different parts of Chhattisgarh State.

Registered Office:

Hathkhoj Village,
Industrial Area,
Bhilai (C.G.)-490026

FOR AND ON BEHALF OF THE BOARD

SD/-
VEENU JAIN
(Mg. Director)
DIN: 00207165

SD/-
GEETIKA JAIN
(Mg. Director)
DIN: 00207695

Place: Bhilai
Date: 23.09.2018

SATISH BATRA & ASSOCIATES

COMPANY SECRETARIES

C-501, 4th Floor, Ashoka Ratan,
Khamardih Road, Shankar Nagar,
Raipur 492001 (C. G.)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2018

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

To,
The Members,
Bhilai Engineering Corporation Limited
Hathkhoj Village,
Industrial Area,
Bhilai-490026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Bhilai Engineering Corporation Limited.(CIN; L29111CT1960PLC000913)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) 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) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(The Company has applied for delisting of its shares and the issue is under process).**

(v) 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, 2011 **(Not applicable to the Company during the Audit Period);**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit Period);**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

(vi) Factories Act, 1948;

(vii) Payment of Wages Act, 1936;

(viii) Environment (Protection) Act, 1986;

(ix) Employment Exchanges (compulsory notification of vacancies) Act, 1959;

(x) Contract Labour (Abolition) Act, 1970;

(xi) Apprentices Act, 1961;

(xii) Payment of Bonus Act, 1965; and

(xiii) The EPF & Misc provisions Act, 1952 ;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I further report that

The Board of Directors of the Company consists of six Directors out of whom three are Managing Directors, one is Whole time Director and two are Directors and there is following change:-

There is no change in directorship of the Company during the year.

Adequate notices were 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 were carried out by majority as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

I 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.

We further report that during the audit period the major decisions in the Company have been taken by the members in pursuance to section 180 of the Companies Act, 2013.

**For Satish Batra & Associates
Company Secretaries**

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

Place: Raipur
Date: 23rd September, 2018

“CORPORATE GOVERNANCE REPORT”

(Pursuant to clause 49 of the Listing Agreement)

Company's philosophy on Corporate Governance

Corporate governance is a dynamic concept varying in form and content to suit the needs of the organization and its stakeholders. The Company believes that good corporate practices inculcate professional management; increase the value of stakeholders and customers and customer's satisfaction.

Board of Directors:-

The Board consists of six Directors out of whom three are Managing Directors, one is Whole Time Directors and two are Directors.

During the year four Board Meetings were held on the following dates:-

Constitution of Board of Directors and related information.

Name of the Directors	Category	No. of Board Meeting with Attendance	Attendance at last AGM	No. of outside Directorship as on March 31,2018
Shri S. K. Jain	Director	1/7	No	08
Shri A.K.Jain	Managing Director	3/7	Yes	10
Shri Veenu Jain	Managing Director	7/7	Yes	12
Shri Ashish Jain	Director	5/7	Yes	14
Smt Krishna Jain	Whole Time Director	1/7	No	02
Miss Geetika Jain	Managing Director	2/7	Yes	08

Remuneration to Directors

The remuneration payable to the Managing Directors and Whole Time Directors are fixed by the shareholders. The remuneration paid to them in aggregate for the financial year 2017-18 is as follow:-

Particulars	Rs. in Lac
Salaries	171.12
Contribution to PF & perquisites	7.88
Bonus	50.00
Total	229.00

Board Committees:-

The Company has constituted two Committees of Directors, namely Audit Committee and Share Transfer & Grievance Committee to deal with matters which need urgent decisions and monitoring of the activities falling within their terms of reference. Each of these Committees has their respective charters approved by the Board. The minutes of the meetings are recorded and placed before the Board for its information.

Audit Committee:-

The Audit Committee of the Company comprises of the following Three Directors:-

Name	Status
Miss. Geetika Jain	Managing Director
Shri Ashish Jain	Director
Smt. Krishna Jain	Whole Time Director

Shri Ashish Jain has proficiency in the area of finance and accounts.

The members of the committee met on the following dates during the financial year 1st April 2017 to 31st March 2018.

11.05.2017, 28.08.2017, 25.11.2017 and 27.02.2018.

The attendance of members in the meetings is as fallow:-

Name of Members	No. of meeting held	No. of meeting Attended
Miss. Geetika Jain	4	3
Shri Ashish Jain	4	4
Smt. Krishna Jain	4	2

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges and also as per section 292A of the Companies Act. The broad terms of reference are as follow:-

1. Review of company's financial reporting process and its financial statements.
2. Reviewing the adequacy of the internal control system.
3. Review of the financial and risk management policies of the company.

Share Transfer and Grievance Committee:-

The Share Transfer and Grievance Committee approve and monitor transfers, transmissions, splitting and consolidation of shares issued by the Company. This committee also monitors complaints of shareholders relating to transfer of shares, non-receipt of balance sheet, dividend etc. The share transfer committee comprises of Shri A. K. Jain, Managing Director as Chairman, Shri Veenu Jain, Managing Director and Shri Ashish Jain, Director of the Company.

The Board has designated Shri Veenu Jain, Managing Director as Compliance Officer of the Company.

Investors Complaints:-

During the year the Company has not received any complaint from investors of the Company.

Annual General Meetings were held as under:-

The last three Annual General Meetings were held as under:-

Financial year	Date	Time	Venue
2016-2017	29.09.2017	11.00 A.M.	Hathkoj Village Industrial Area, Bhilai-490026
2015-2016	30.09.2016	11.00 A.M.	Hathkoj Village Industrial Area, Bhilai-490026
2014-2015	30.09.2015	11.00 A. M.	Hathkoj Village Industrial Area, Bhilai-490026

Management Discussion and Analysis Report:-**a). Industry Structure and Developments:-**

Your company has three business divisions, namely Engineering and Project Divisions, Fertilizer Division & Foods Division. In Engineering Division, the principal products include steel castings, fabricated steel structures & heavy equipments. Project Division undertake projects on Turnkey basis in various steel plants. The principal products in Fertilizer Division include Single Super Phosphate (SSP) Granulated Single Super Phosphate (GSSP), Sulphuric Acid, NPK Mixture etc. The principal products in Food Division include Tomato puree, orange concentrate, fruits pulp etc. Food division is also involved in processing and packaging of Milk and Curd for “Amul”.

b). Outlook on Opportunities, Threats, Risk & Concerns:-

Our Engineering Division has already bagged no. of orders from different steel plants. As you are aware, now the company cleared/dispatch all the developmental orders and the Company is now got the status of approved vendor from Railway. Now the company has established the dedicated foundry shop for manufacturing of various Railway products. As per the thrust given by the Government on core infrastructure and ‘Make in India’ initiatives continues to give us a healthy basket of opportunities to tap. Increased allocations by the Centre and States on infrastructure spending, higher levels of outlay by cash-rich Public Sector enterprises and significant funding of infrastructure projects by bi-lateral and multi-lateral lending agencies is propelling the investment momentum forward. Several upcoming projects provide us with a broad perspective of the opportunity horizon opening up for us in 2017-18.

Foundry Division is operating in a highly technology intensive and competitive business which demands continuous up-gradation of technology and product quality. Foundry Division is already supplying castings to Railways (Indian & Foreign) & Mines with improved manufacturing processes thereby reducing the incidence of rejections. Due to the growing expectations of OEMs regarding the quality and quantity of castings, India is expected to produce larger casting facilities over the next few years. The size and scope of large plants are required to address investment requirements, power shortage and a talent crunch. This means that manufacturers with latest technology of equipments and raw materials will have a bright opportunity in India. Foundry Division is constantly upgrading its own manufacturing standards with better process controls and by high quality of input materials. It is the endeavor of Foundry Division to increase its market share to cater the needs of Railways.

The Make in India initiative is encouraging the production of fertilizers within the country to an extent the government wants to eliminate the imports of urea by 2021 and make India self-sufficient. Besides, the overall domestic output of fertilisers has been going up for the past three years and imports are falling

The Government has been very proactive by introducing reforms from time to time to help production to pick up pace as in the case of the New Urea Policy, where the government is incentivising production beyond reassessed capacity.

To achieve sustained agricultural growth there would be requirement to improve productivity, diversify production towards high value agriculture.

Fertilizers have played a key role in the success of India's green revolution and subsequent self-reliance in food-grain production. The increase in fertilizer consumption has contributed significantly to sustain production of food grains in the country. As a result, the demand of fertilizers has witnessed double digit growth rates over the past several years

Despite a strong growth in recent years, the average intensity of fertilizer use in India remains much lower than most of the developed and emerging countries around the world. The usage of fertilizers is also highly skewed, with wide inter-regional, inter-state and inter-district variations.

Based on the product type, the market has been segmented as chemical fertilizers and bio fertilizers. Currently, chemical fertilizers dominate the market, holding the largest share.

Based on the segment, the market has been segmented as complex fertilizers, DAP, MOP, urea and SSP.

On the basis of formulation, the market has been segmented as liquid and dry.

Based on the application, the market has been segmented as farming and gardening.

On the basis of region, the market has been segmented as North India, South India, East India and West India.

Catalyzed by a strong growth in the country's population over the next five years, food demand is also expected to exhibit a strong growth. Conversely, as a result of increasing urbanisation levels, available arable land is expected to decrease. We expect fertilizers to play a key role in increasing the average crop yields per hectare.

Despite strong historical growth, fertilizer consumption in India remains highly skewed. There are currently a number of states in India which still have a very low penetration of fertilizers. This leaves a lot of room for future growth.

We expect a number of government and non-government awareness campaigns to educate farmers on the benefits of fertilizers. Promotion of fertilizers through television, radio and customized rural workshops are also anticipated to increase the consumption of fertilizers in the coming years.

Increasing rural incomes, coupled by easy availability of credit, are also likely to create a positive impact on fertilizer usage in the country.

Contract farming, where inputs in terms of technology and training are expected to be provided to the farmer from the food processor (contractor), is also expected to create a positive impact on fertilizer usage.

Our Food division is also doing well. We have established a processing plant for pasteurization of Raw Milk for doing processing and packaging of Milk for reputed “Amul” Brand. Company is also looking for supply of Orange concentrate to “Coca Cola”.

The Company is well placed to benefit early as sustainable growth opportunities emerge over the next few years.

c). Segment wise performance:-

During the year under review your Company achieved Sales and other income of Rs.93,187.87 Lac Segment wise details are as under:-

Divisions	Rs. in lac
Engineering & Corporate	81,145.81
Fertilizers	8,918.51
Constructions	4.12
Foods	3,119.44
Total	93,187.87

The future outlook of your company largely depends on the prevalent conditions in various sectors e.g. Steel, Cement, Mining Railways and Agriculture etc. With the steel sector having turned around the demand for products of engineering division has gone up.

The performance of the Fertilizer Division was hit by higher financial cost including foreign exchange loss and pressure on margin due to over-supply conditions in the Industry, compounded with low capacity utilization.

d). Internal Control systems and their adequacy:-

Your Company has already installed adequate internal control systems. The audit committee periodically reviews such systems with the help of internal and statutory auditors and reports to the Board on its adequacy.

e). Discussion on financial performance with respect to operational performance:-

The relevant details are given in the Directors' Report.

f). Human Resources and Industrial Relations:-

Industrial relations during the year under review have been cordial and peaceful. The company has been continuously making concerted efforts aimed at development of Human Resources to equip them to meet the organizational needs and challenges of the organisation.

General Information for Shareholders:-

Annual General Meeting:-

The Annual General Meeting of the company will be held on the 29th September 2018 at 11.00 A.M. at the registered office of the Company at Hathkhoj Village, Industrial Area, Bhilai- District Durg (C. G.)- 490 026.

Book Closure date:-

Register of Members of the Company will remain closed from **26.09.2018 to 29.09.2018** (both days inclusive)

Listing on Stock Exchange:-

The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	Madhya Pradesh Stock Exchange 201, Palica Plaza, Phase-11,MTHCompound, Indore-452001	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata- 700001
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Share Transfer System:-

The Share Transfer activities are under physical mode. Shares which are lodged for transfer are processed and returned within the stipulated time.

The meeting of Share and Grievance Committee of the Company is generally held as and when required.

Dematerialization of Shares:-

Shares of the Company are in physical mode.

Delisting:-

Your Company is in the process of delisting.

Distribution of shareholding as on 31st March, 2018:-

Category No. of Shares held	Total No. of shareholders	% of total holders	Total shares held	% of total Equity
0-100	2	5.41	42	00.00
101-200	1	2.70	199	00.00
201-500	--	--	--	--
501-1000	4	10.81	3,375	00.08
1001-5000	7	18.92	11,026	00.23
5001-10000	5	13.51	35,796	00.76
10001& above	18	48.65	46,68,882	98.93
Total	37	100.00	47,19,320	100.00

Shareholding pattern of the Company as on 31st March, 2018:-

Sl. No.	Class of Investors	No. of Shares	% of Shares
1	Promoters	3,57,645	7.58
2	Non-Resident Indians/Overseas Corporate Bodies	--	--
3	Foreign Companies	--	--
4	UTI & Mutual Fund	--	--
5	Bank/ Financial Institutions/Insurance Companies	--	--
6	Bodies Corporate (Promoters Group Companies)	42,52,826	90.11
7	Any other TRUST (Promoters Group Trust)	100,959	2.14
8	Others	7,890	0.17
	Total	47,19,320	100.00

Financial Reporting Calendar:-

- a). For the quarter ending June, 2018 : 3rd/4th week of July, 2018
- b). For the quarter ending September, 2018 : 3rd/4th week of October, 2018
- c). For the quarter ending December, 2018 : 3rd/4th week of January, 2019
- d). For the year ending March 31, 2019 : 3rd/4th week of May, 2019

LAXMI TRIPTI & ASSOCIATES

HEAD OFFICE: - SM-11, SHRIKISHAN VATSALAYA,
NEAR VIVEKANAND BHAWAN,
GAURAV PATH, PADMANABHPUR,
DURG - 491001, (C.G).
Ph: 0788-2332656/57
Email id: ho@laxmitriпти.com



Firm Reg. NO. - 009189C
CAG No. ER0782

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The members of
Bhilai Engineering Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by **Bhilai Engineering Corporation Limited**, for the year ended on 31st March, 2018 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the 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 except MPS norms 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 to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: **Bhilai**
Date: 23rd September, 2018

For, Laxmi Tripti & Associates
Chartered Accountants
F. R. No. 009189C

SD/-
(L. N. AGRAWAL)
PARTNER
M. No. 078427

LAXMI TRIPTI & ASSOCIATES

HEAD OFFICE: - SM-11, SHRIKISHAN VATSALAYA,
NEAR VIVEKANAND BHAWAN,
GAURAV PATH, PADMANABHPUR,
DURG - 491001, (C.G).

Ph: 0788-2332656/57

Email id: ho@laxmitripti.com



Firm Reg. NO. - 009189C

CAG No. ER0782

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
BHILAI ENGINEERING CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BHILAI ENGINEERING CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements based on our audit.

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

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure –A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of change in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-B**; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - h. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

- (i) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (ii) The Company does not have any unclaimed / unpaid dividend outstanding during the year and accordingly the provisions of transferring any amount to the Investor Education and Protection Fund by the Company is not applicable.

Place: DURG
DATE: 23-09-2018

FOR LAXMI TRIPTI & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN : 009189C

SD/-

LAXMI NARAYAN AGRAWAL
(PARTNER)

M NO:078427

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the Company for the year ended March 31,2018:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management conducts physical verification of inventory regularly at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records have been properly dealt with in the books of account & these were not material.
- 3) We are unable to comment whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register under section 189 of the Companies Act 2013 as the register could not be produced by the company. The following transactions made during the year as disclosed in Note no. 35:

4)

SR. NO.	NAME OF PERSON	RELATIONSHIP	NATURE OF PAYMENT	TRANSACTIONS DURING 31.03.2018
TRANSACTION REQUIRED BOARD RESOLUTION				
1	BHILAI MOTOR CAR CO.	ASSOCIATE	PURCHASE OF DIESEL & OIL	94.14
2	BHARAT INDUSTRIAL WORKS (BHILAI) PVT. LTD.	ASSOCIATE	PURCHASE OF GOODS	147.09
3	BHILAI ENGINEERING INDUSTRIES LTD.	ASSOCIATE	RENT RECEIVED	13.20
			CONSULTANCY & RETAINERSHIP	264.00
			CONTRACT WORK	37.49
			RENT PAID	60.00
			INTEREST RECD.	123.95
4	BEC FERTILIZER LIMITED	ASSOCIATE	PURCHASE OF GOODS	30.16
5	VISHVA VISHAL ENGINEERING LTD.	ASSOCIATE	PURCHASE OF GOODS	29.19
			RENT PAID	24.00
6	KIOSK PROPERTIES PVT. LTD.	ASSOCIATE	RENT PAID	6.00

7	JAFFERSON LEASING & FIN PVT. LTD.	ASSOCIATE	RENT PAID	12.00
8	BEC IMPEX INTERNATIONAL (P) LTD.	ASSOCIATE	RENT PAID	9.00
			INTEREST RECD.	73.79
9	SHRI ASHISH JAIN	DIRECTOR	RENT PAID	1.80
10	BEC INFRA PVT LTD	ASSOCIATE	CONTRACT WORK	6881.80
11	ARKAS INDUSTRIES (P) LTD.	ASSOCIATE	CONSULTANCY & RETAINERSHIP CHARGES	180.00
			RENT PAID	39.00
12	BHILAI FOOD PRODUCTS CO.	ASSOCIATE	SALE OF GOODS	929.10
			CONTRACT WORK	156.52
			INTEREST RECD.	0.33
13	KIRTIMAN INFRASTRUCTURE (P) LTD.	ASSOCIATE	INTEREST PAID	1.95
14	SUDHA INVESTMENT LIMITED	ASSOCIATE	RENT PAID	0.60
15	MS GEETIKA JAIN	DIRECTOR	RENT PAID	18.00
16	RICHFIELD LEASING FINVEST PVT. LTD.	ASSOCIATE	HIRE CHARGES	13.75
17	KIRTIMOYA CAPITAL LTD.	ASSOCIATE	INTEREST PAID	2.80
			INTEREST RECEIVED	53.29
18	PERENNIAL FINANCE & INVESTMENTS (P) LTD.	ASSOCIATE	INTEREST PAID	24.00
			INTEREST RECEIVED	0.29
19	SHRI VEENU JAIN	DIRECTOR	INTEREST PAID	69.42
	<u>TRANSACTIONS REQUIRED ORDINARY RESOLUTION IN GENERAL MEETING</u>			
20	SMT. POONAM JAIN	RELATIVE OF DIRECTOR	REMUNERATION	18.00
			PERQUISITES	0.40
			RENT PAID	18.00
21	SMT. KANIKA JAIN	RELATIVE OF DIRECTOR	REMUNERATION PERQUISITES	60.40
			RENT PAID	2.70
22	SMT. SHIPRA JAIN	RELATIVE OF DIRECTOR	REMUNERATION PERQUISITES	60.40
23	SHRI ARJUN RAI JAIN	RELATIVE OF DIRECTOR	REMUNERATION	33.25
			PERQUISITES (PF)	1.44
			INTEREST PAID	3.92
24	SMT. RACHNA JAIN	RELATIVE OF DIRECTOR	INTEREST PAID	9.85
25	SHRI A.K. JAIN (HUF)	RELATIVE OF DIRECTOR	RENT PAID	2.70
26	SHRI VIREN RAI JAIN	RELATIVE OF DIRECTOR	RENT PAID	1.32
			INTEREST PAID	2.14
27	SHRI VEENU JAIN (HUF)	RELATIVE OF DIRECTOR	RENT PAID	0.48
	TOTAL			9511.66

- 5) In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of section 185 and section 186 of the Companies Act, 2013 in following cases:

SL. NO.	Particulars (Amount Advanced)	Relationship	Bal. as on 31.03.2018 (Rs in Lacs)	Bal. as on 31.03.2017 (Rs in Lacs)
1	Smt. Rachna Jain	Wife of Veenu Jain	-	35.65
2	Balka Service Pvt. Ltd	Associate	165.93	165.93
3	Kiritimoya Capital Limited	Associate	167.45	2638.62
4	Bhilai Management Services Pvt. Ltd	Associate	49.54	49.54
5	BEC Fertilizers Limited	Associate	993.47	617.50
6	Bhilai Engineering Industries Ltd.	Associate	2014.71	1617.57
7	Arkas Industries (P) Ltd.	Associate	2630.90	2768.87
8	Kirtiman infrastructure (P) Ltd.	Associate	186.35	-
9	Arkas Biocon (P) Ltd.	Associate	70.18	-

- 6) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 7) We have broadly reviewed the Cost records of division namely Foundry, Project (Unit-3) & Fertilizers maintained by the Company Pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- 8) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, the following dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax & other material statutory dues have not been deposited by the Company on account of any disputes.

S. No.	Nature of Dues	Forum where dispute is pending	Period	Amount (Rs in Lacs)
1.	Sales tax	Dy. Assistant Commissioner ST Appeals	1994-95	2.32
2.	Sales tax	Dy. Assistant Commissioner ST Appeals	1997-98	6.88
3.	Excise duty	High Court, Bilaspur	1998-99	10.73
4.	C.S.T.	Sales Tax Department (2 nd Appeal)	2005-06	9.41
5.	Comm. Tax	Sales Tax Department (2 nd Appeal)	2005-06	1.28
6.	Entry Tax	Sales Tax Department (2 nd Appeal)	2005-06	13.19
7.	Entry Tax	High Court, Bilaspur	2005-06	2.59
8.	Entry Tax	High Court, Bilaspur	2006-07	4.65
9.	C.S.T.	Sales Tax Department	2007-08	29.65
10.	Entry Tax	High Court, Bilaspur	2007-08	11.99
11.	Sales Tax	Asst. Commissioner, Nagpur	2007-08	19.66
12.	Sales Tax	Asst. Commissioner, Nagpur	2008-09	40.86
13.	Entry Tax	High Court, Bilaspur	2008-09	12.77
14.	Service Tax	Commissioner, Raipur	April'06 to Sep.'09	57.45
15.	Entry Tax	High Court, Bilaspur	2009-10	3.93
16.	Sales Tax	Asst. Commissioner, Nagpur	2009-10	54.98
17.	Sales Tax	Asst. Commissioner, Nagpur	2010-11	61.34
18.	Entry Tax	High Court, Bilaspur	2010-11	0.09
19.	C.S.T.	Tribunal	2010-11	120.36
20.	Sales Tax	Asst. Commissioner, Nagpur	2011-12	112.31
21.	Sales Tax	Tribunal	2011-12	128.81
22.	Excise Duty	Additional Commissioner, Raipur	2012-13	22.22
23.	C.S.T.	Sales Tax Department	2012-13	33.89
24.	Sales Tax	Commissioner (Appeals), Durg	2013-14	52.97
25.	Sales Tax	Asst. Commissioner, Nagpur	2013-14	27.09
26.	Excise Duty	Asst. Commissioner, Nagpur	2013-14	104.30
27.	Sales Tax	Asst. Commissioner, Durg	2013-14	6.56
		Total		952.28

- 9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 10) The company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loan raised by the company is utilized for the purpose.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been allowed during the year;
- 13) In our opinion, the Company is not a Nidhi Company hence the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 14) We are unable to comment whether transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 as required by the applicable accounting - standards.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 16) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 17) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**FOR LAXMI TRIPTI & ASSOCIATES
CHARTERED ACCOUNTANTS**

FRN : 009189C

**Place: DURG
DATE: 23-09-2018**

SD/-

**LAXMI NARAYAN AGRAWAL
(PARTNER)**

M NO:078427

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of BHILAI ENGINEERING CORPORATION LIMITED

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 BHILAI ENGINEERING CORPORATION LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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 including the Indian Accounting Standards. 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 including the Indian Accounting Standard, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR LAXMI TRIPTI & ASSOCIATES
CHARTERED ACCOUNTANTS**

FRN : 009189C

**Place: DURG
DATE: 23-09-2018**

SD/-

**LAXMI NARAYAN AGRAWAL
(PARTNER)**

M NO:078427

BHILAI ENGINEERING CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
ASSETS				
1) Non-Current Assets				
a) Property , Plant and Equipment	4	10,895.02	12,449.15	13,989.55
b) Capital Work-in-Progress		345.70	288.38	313.75
c) Financial assets				
(i) Investments	5	4,039.68	1,495.62	1,092.53
(ii) Other Financial Assets	9	3,557.83	7,245.74	7,596.34
d) Other non-current assets				
(i) Other Current Assets	6	7,835.56	10,454.40	10,309.05
(ii) Trade Receivables	8	3,328.18	2,384.49	3,109.36
2) Current Assets				
a) Inventories	7	20,221.58	21,589.39	15,802.61
b) Financial Assets				
(i) Trade Receivables	8	24,344.13	24,744.39	21,342.92
(ii) Bank, Cash and Cash Equivalents	9	3,835.70	401.01	694.51
(iii) Bank, balance Other than (ii) above	9	111.79	1,744.55	1,786.91
c) Other current assets	6	10,792.23	8,381.27	8,204.55
Total Assets		89,307.40	91,178.37	84,242.07
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	10	471.93	471.93	471.93
b) Other Equity		39,446.06	38,529.94	34,574.82
Liability				
1) Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	11	3,269.13	3,822.09	3,915.02
b) Deferred tax Liabilities	12	112.67	262.23	186.80
c) Other Non-Current Liabilities	12a	4,658.52	5,860.84	4,401.99
d) Trade Payables	14	816.00	437.19	397.57
2) Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	13	11,039.14	14,292.69	16,463.91
(ii) Trade Payables	14	20,026.17	19,075.11	13,750.65
(iii) Other Financial Liabilities	15	1,235.72	1,416.17	1,577.52
b) Other Current Liabilities	16	5,896.15	5,742.20	7,458.42
c) Provisions	17	2,335.90	1,267.99	1,043.43
Total Equity and Liabilities		89,307.40	91,178.37	84,242.07

Summary of Significant Accounting Policies

2

First time adoption of Ind AS

3

The Accompanying notes are integral part of the financial statements

As per our report of even date

For, M/s Laxmi Tripti & Associates

Chartered Accountants

(FRN - 009189C)

For and on behalf of the board

SD/-

SD/-

SD/-

SD/-

Veenu Jain

Arvind Jain
Directors

Geetika Jain

(Laxmi Narayan Agrawal)

Partner

M.No. 078427

Place :Bhilai

Date : 3rd September' 2018

BHILAI ENGINEERING CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	Note No	2017-18	2016-17
		Rs. In Lakhs	Rs. In Lakhs
Revenue from Operations (Gross)	18	92,176.49	87,300.35
Other Income	19	1,011.37	1,013.75
Total Revenue (I)		93,187.87	88,314.10
EXPENDITURE :			
Cost of raw Material and component Consumed	20	49,631.65	46,587.86
Increase /Decrease in Inventories of Finished goods work-in-progress and traded goods	21	(513.27)	(3,548.85)
Excise duty/GST on Sales		8,587.43	5,362.15
Employee Benefits Expense	22	7,793.65	8,499.33
Finance Costs	23	3,835.64	3,743.24
Depreciation Charges	24	2,297.89	2,424.98
Other Expenses	25	20,165.15	19,521.64
Total Expenditure (II)		91,798.15	82,590.36
Profit Before Tax		1,389.72	5,723.75
Tax Expenses			
- Current Tax		645.00	2,136.00
- Deferred Tax		(175.68)	(16.23)
Total tax Expenses		469.32	2,119.77
Profit for the year from continuing operations		920.40	3,603.98
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Fair valuation of investments , net of taxes		29.05	171.98
Total Comprehensive Income for the period Comprising Profit /Loss and Other Comprehensive Income for the period		949.45	3,775.96
Earning per Equity Share of F.V. of Rs. 10 each	26	19.50	76.37
Basic and Diluted (in Rupees)		19.50	76.37
Summary of Significant Accounting Policies	2		
First time adoption of Ind AS	3		

The Accompanying notes are integral part of the financial statements
As per our report of even date

For, M/s Laxmi Tripti & Associates
Chartered Accountants
(FRN - 009189C)

For and on behalf of the board

SD/-

(Laxmi Narayan Agrawal)
Partner
M.No. 078427
Place :Bhilai
Date : 3rd September' 2018

SD/-

Veenu Jain

SD/-

Arvind Jain
Directors

SD/-

Geetika Jain

Cash Flow Statement for the Year Ended

	31 st Mar' 2018 (Rs. In Lakhs)	31 st Mar' 2017 (Rs. In Lakhs)
A. Cash Flow from operating activities:		
Net Profit before tax and extraordinary items	1,389.72	5,723.73
Adjustments for :		
Dividend	(3.71)	(0.25)
Depreciation	2,297.89	2,424.98
Interest Paid	2,251.60	2,651.54
Profit / Loss on Sale of Fixed Assets	(1.84)	(11.89)
Profit / Loss on Sale of Investment	(0.85)	(4.90)
Interest Income	(725.75)	(852.58)
Operating Profit before Working Capital changes	5,207.06	9,930.64
Adjustments for :		
LT Trade Receivables	(943.69)	325.82
ST Trade Receivables	400.26	(3,002.42)
Inventories	1,367.81	(5,786.77)
Trade Payable	1,329.87	5,324.15
Advance from Customers	(34.59)	1,238.96
Current Liabilities	259.05	(1,468.03)
Short Term Provisions	1,067.92	210.43
	3,446.63	(3,157.86)
Cash generated from operations	8,653.69	6,772.78
Interest Paid (Net)	(1,525.85)	(1,798.96)
Direct Taxes & FBT Paid	(645.00)	(2,245.85)
Cash Flow from operating activities before extraordinary items (Total 'A')	6,482.84	2,727.97
B. Cash Flow from Investing activities		
Current Investments	(2,680.61)	(200.00)
Purchase of Fixed Assets	(836.31)	(940.62)
Sale of Fixed Assets	3.74	22.47
Sale /(Purchase)of Investments	192.58	65.44
Capital Subsidy Received	-	250.00
Other non-current Assets	-	119.99
Dividend Income	3.71	0.25
Net cash used in investment activities (Total 'B')	(3,316.89)	(682.47)
C. Cash Flow from Financing activities		
Long Term Proceedings Decrease	(564.48)	(293.51)
Unsecured Loan (Decrease)	11.52	-
Bank Borrowing (Short Term) Increase	(3,504.50)	(2,106.22)
other non current liabilities	(1,202.32)	
Long Term Loans & Advance (Increase)	(1.16)	(19.89)
Short Term Loans & Advances (Increase)	2,620.00	(184.39)
FDR Encashed/Invested	3,687.91	(320.43)
Other Current Assets – (Increase)	(2,410.96)	(7.95)
Net cash generated/used in financing activities (Total 'C')	(1,363.99)	(2,932.40)
Net increase / Decrease in cash & cash equivalents (A+B+C)	1,801.96	(886.90)
Cash & Cash Equivalents at Beginning of the year.	2,145.55	3,032.45
Cash & Cash Equivalents at the close of the year	3,947.51	2,145.55

Note: Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standards (AS-3) "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rule, 2006.

For, M/s Laxmi Tripti & Associates
Chartered Accountants

For and on behalf of the board

SD/-

(Laxmi Narayan Agrawal)
PARTNER
Place :- Bhilai
Date : 3rd September' 2018

SD/-

Veenu Jain

SD/-

Arvind Jain
Directors

SD/-

Geetika Jain

Statement of Changes in Equity for the year ended 31.03.2017

Equity Share Capital

(Rs. In Lakhs)

Balance as at 01.04.2016	Change in the equity share capital during the year	Balance as at 31.03.2017
471.93	-	471.93

Other Equity

Particulars	General Reserve	Capital Reserve	Capital Subsidy Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/loss on employee benefit) (Net of Tax)	Total
Balance as at 01.04.2016	34,206.50	118.31	250.00	-	-	-	34,574.82
Debt Instruments	-	-	-	-	-	-	-
Equity Instruments through other Comprehensive Income (Net of Tax)	-	-	-	-	(1.19)	173.17	171.98
Profit for the year	-	-	250.00	3,603.98	-	-	3,853.98
Expenses of Earlier Year	-	-	-	-	-	-	-
Amortisation of Depreciation transfer to P&L	-	-	(70.83)	-	-	-	(70.83)
Transfer from retained earnings	3,603.98	-	-	(3,603.98)	-	-	-
Balance as at 31.03.2017	37,810.48	118.31	429.17	-	(1.19)	173.17	38,529.94

As per our report of even date

For, M/s Laxmi Tripti & Associates
Chartered Accountants
(FRN - 009189C)

For and on behalf of the board

SD/-

(Laxmi Narayan Agrawal)
Partner
M.No. 078427
Place :Bhilai
Date : 3rd September' 2018

SD/-

SD/-

SD/-

Veenu Jain Arvind Jain Geetika Jain
Directors

Statement of Changes in Equity for the year ended 31.03.2018

Equity Share Capital

(Rs. In Lakhs)

Balance as at 01.04.2017	Change in the equity share capital during the year	Balance as at 31.03.2018
471.93	-	471.93

Other Equity

Particulars	General Reserve	Capital Reserve	Capital Subsidy reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/loss on employee benefit)(Net of Tax)	Total
Balance as at 01.04.2017	37,810.48	118.31	429.17	-	(1.19)	173.17	38,529.94
Equity Instruments through other Comprehensive Income	-	-	-	-	0.01	29.05	29.05
Profit for the year	-	-	-	920.40	-	-	920.40
Amortisation of Depreciation transfer to P&L	-	-	(33.33)	-	-	-	(33.33)
Transfer from retained earnings	920.40	-	-	(920.40)	-	-	-
Balance as at 31.03.2018	38,730.88	118.31	395.83	-	(1.18)	202.22	39,446.06

As per our report of even date

For, M/s Laxmi Tripti & Associates
Chartered Accountants
(FRN - 009189C)

For and on behalf of the board

SD/-

(Laxmi Narayan Agrawal)
Partner
M.No. 078427
Place :Bhilai
Date : 3rd September' 2018

SD/-

Veenu Jain

SD/-

Arvind Jain
Directors

SD/-

Geetika Jain

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE INFORMATION

Bhilai Engineering Corporation Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. It's shares are listed on one stock exchange in India & however the company is in the process of listing of its shares. The company is mainly engaged in Manufacturing of Equipment, Fabricated Steel Structure, C.I. & steel castings, Power Generation, SSP, GSSP, NPK, Sulphuric Acid. Tomato Pulp & Concentrate & Road Construction.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016.
- ii) For all periods upto and including the year ended 31st March 2017, the company prepared its financial statements in accordance with accounting standards notified as Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".
- iii) These financial statements for the year ended 31st March, 2018 are the Company's first Ind AS financial statements. The financial statements of the company for the preceding year 2016-17 have been restated w.e.f. 1st April 2016 being the earliest period presented.
- iv) The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value and
- v) Company's financial statements are presented in Indian Rupees (₹ in lakhs), which is also its functional currency.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Current versus non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i) The asset/liability is expected to be realized/settled in the company's normal operating cycle
- ii) The asset is intended for sale or consumption.
- iii) The asset/liability is held primarily for the purpose of business activities.
- iv) The asset/liability is expected to be realized/settled within twelve months after the reporting period.
- v) The Asset is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- vi) In the case of Liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has identified twelve months as its operating cycle.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements have been categorized within the fair value hierarchy. This categorization is based on the lowest level input that is significant to the fair value measurement as a whole:

- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation at the end of each reporting period.

c) Property, Plant and Equipment (PPE)

- i) The company has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2016).
- ii) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- iii) The cost of an item of property, plant and equipment is measured at:
 - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
 - any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
 - the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- iv) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- v) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.
- vi) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. Other machinery spares are treated as "stores & spares" forming part of the inventory. Cost in nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.
- vii) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired, or inspection carried out.
- viii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss.

d) Capital Work in Progress

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable

to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

e) Intangible Assets

- i) The company has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Intangible Assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2016).
- ii) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- iii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.
- iv) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Leases

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

- Leased assets

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset except leasehold land is depreciated over the useful life of the asset

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Revenue recognition

- (a) Sales are recorded when supply of goods takes place in accordance with the terms of sale. Sales exclude Excise Duty, Sales Tax, Service Tax and GST.
- (b) Income from consultancy, lease rent and other services are accounted for as per terms of the contract.
- (c) Works Contracts:
 - i. The Company is following Ind AS -11 as prescribed by ICAI and accordingly is accounting all contracts on "Percentage of Completion Method".
 - ii. Income in respect of various works contract is recognised considering reasonableness of its realisability. Income recognition is by way of actual payments received by the company (excluding un-adjusted advance), against bills raised. Deferred receivables are not accounted as income till its realization).
 - iii. Claims made on account of escalation are recognised as revenue only to the extent of the realization of the amount of claim.

h) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets

- i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:

Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

- ii) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.
- iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.
- v) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.
- vi) Land whether leasehold or Freehold land is not depreciated.
- vii) Other Intangible assets are amortized over technically useful life of the assets.

i) Inventories:

- i) Inventories (raw material stores & spares), are valued at lower of cost (net of taxes and duties subsequently recoverable from tax authorities) and net realizable value, after providing for obsolesces, if any.
- ii) Finished and semi-finished Goods are valued at cost (net of taxes and duties subsequently recoverable from tax authorities) taking into consideration direct materials, labour, conversion cost and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition or the net realizable value whichever is lower.
- iii) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.
- iv) Cost is determined on the basis of weighted average method in Engineering Division and on "FIFO" system in other divisions.

j) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the

borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Income Taxes

Income tax expense represents the sum of current and deferred tax.

i) Current tax

Current tax is the amount of income tax payable in respect of taxable profit for a period. Taxable profit differs from "Profit before tax" as reported in the statement of profit and loss because of items of income or expenses that are taxable deductible in other years and items that are exempt or deductible under the Income Tax Act 1961.

Current tax is measured using tax rates that have been enacted for the reporting period.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that have been enacted and are applicable to taxable income in the year in which those temporary differences arise.

l) Foreign Currency Transactions

i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.

ii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

m) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund & ESIC. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The company makes no provision for liability of gratuity. The company recognizes the liability of gratuity as per payment of Gratuity Act 1972 and charged to statement of Profit and Loss on cash basis.

As per company's policy employees have to avail eligible leave. Encashment of leave is allowed only in case of superannuation or at the time of leaving the employment. Expenses on leave encashment, bonus and leave travel allowance are charged to statement of Profit and Loss on cash basis.

n) Provisions, Contingent Liabilities and Contingent Assets

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of such obligation can be reliably estimated.

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation can not be measured reliably. When there is possible obligation or a present

obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

o) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

p) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

q) Financial Instruments

i) Financial Assets

A Initial recognition and measurement

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

B Subsequent measurement

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Equity Investments

All equity investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

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

r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding at the year end. The weighted average number of equity shares outstanding during the year end are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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

s) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

t) Statement of Cash Flows

i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and cheques in hand, deposits with banks. However, for Balance Sheet presentation, Bank overdrafts are classified within borrowings in current liabilities.

ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

u) Warranty provisions

The company issues B.G. equal to 5% of project value to customers against "Defect Liability Period" which is generally 12 months from the date of commissioning of project.

Expenses as & when incurred during warranty period are charged to statement of Profit and Loss.

2.3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience

with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

As per company's policy in respect of overdue trade receivables no provision is made. However trade receivable are written off and charged to statement of Profit and loss on determination basis.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Measurement of defined benefit obligations

The measurement of defined benefit and other post-employment benefits obligations are determined on actual basis and no provision is made.

2.4 First Time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at 1st April 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

i) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Deemed cost for investment properties

The Company has elected to measure all its investment properties at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

b) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017. Refer Note-3.1.

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017. Refer Note-3.2.

3.1 RECONCILIATIONS

The following reconciliations provides the effect of transition to Ind As from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2016 and March 31, 2017
- Net Profit for the year ended March 31, 2017.

RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO Ind AS

(Rs. In Lakhs)

Particulars	Note	Opening Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
		Previous IGGAP	Effects of transition to ind-AS	Ind As	Previous IGGAP	Effects of transition to ind-AS	Ind As
ASSETS							
Non-Current assets							
Property, Plant and equipment	A	13,989.55	-	13,989.55	12,449.15	-	12,449.15
Capital work-in-progress		313.75	-	313.75	288.38	-	288.38
Investment properties	A	-	-	-	-	-	-
Other Intangible Assets		-	-	-	-	-	-
Financial Assets							
(i) Investments	B	1,092.53	-	1,092.53	1,231.98	263.64	1,495.62
(ii) Other Financial Assets		7,596.34	-	7,596.34	7,245.74	-	7,245.74
Non-Current assets		10,309.05	-	10,309.05	10,454.40	-	10,454.40
Other non-current Treade Receivable	C	3,109.36	-	3,109.36	2,384.49	-	2,384.49
Total non-current assets	-	36,410.58	-	36,410.58	34,054.14	263.64	34,317.78
Current assets							
Inventories	D	15,802.61	-	15,802.61	21,589.39	-	21,589.39
Financial assets:							
(i) Trade receivable	E	21,342.92	-	21,342.92	24,744.39	-	24,744.39
(ii) Bank, Cash and cash equivalents		694.51	-	694.51	401.01	-	401.01
(iii) Bank Balances other than (ii) above		1,786.91	-	1,786.91	1,744.55	-	1,744.55
Other Current assets	F	8,204.55	-	8,204.55	8,381.27	-	8,381.27
Total non-current assets	-	47,831.49	-	47,831.49	56,860.59	-	56,860.59
Total assets	-	84,242.07	-	84,242.07	90,914.73	263.64	91,178.37
EQUITY AND LIABILITIES							
Equity							
Equity share capital		471.93	-	471.93	471.93	-	471.93
Other equity	G	34,574.82	-	34,574.82	38,357.95	171.99	38,529.94
Total equity	-	35,046.75	-	35,046.75	38,829.88	171.99	39,001.87
Non-current liabilities							
Financial Liabilities							
(i) Borrowings	H	3,915.02	-	3,915.02	3,822.09	-	3,822.09
Trade Payable	I	397.57	-	397.57	437.19	-	437.19
Deferred tax Liabilities (Net)	J	186.80	-	186.80	170.57	91.66	262.23
Other non-current liabilities		4,401.99	-	4,401.99	5,860.84	-	5,860.84
Total equity	-	8,901.38	-	8,901.38	10,290.69	91.66	10,382.35

Particulars	Note	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		Previous IGGAP	Effects of transition to ind-AS	Ind As	Previous IGGAP	Effects of transition to ind-AS	Ind As
Current Liabilities							
Financial Liabilities							
(i) Borrowings		16,463.91	-	16,463.91	14,292.69	-	14,292.69
(ii) Trade Payable		13,750.65	-	13,750.65	19,075.11	-	19,075.11
(iii) Other financial Liabilities		1,577.52	-	1,577.52	1,416.17	-	1,416.17
Other current liabilities		7,458.42	-	7,458.42	5,742.20	-	5,742.20
Provisions		1,043.43	-	1,043.43	1,267.99	-	1,267.99
Current tax liabilities (Net)		-	-	-	-	-	-
Total current liabilities		40,293.93	-	40,293.93	41,794.15	-	41,794.15
Total equity and liabilities		84,242.07	-	84,242.07	90,914.72	263.65	91,178.37

3.2 RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(Rs. In Lakhs)

S.No.	Particulars	Note	Year ended March 31,2017		
			Previous IGAAP	Effects of transition to Ind-AS	Ind As
I.	INCOME	A			
	Revenue from operations (Gross)		87,318.35	(18.00)	87,300.35
II.	Other Income		975.56	38.19	1,013.75
	Total Income (I+II)		88,293.91	20.19	88,314.10
III	EXPENDITURE				
	Cost of materials consumed		46,587.87	-	46,587.87
	Changes in inventories of finished goods, work-in-progress and stock-in-Trade	A	(3,548.84)	-	(3,548.84)
	Employee benefits expense	B	8,499.32	-	8,499.32
	Finance Costs	C	3,743.24	-	3,743.24
	Depreciation and amortization expense	D	2,424.98	-	2,424.98
	Excise duty/GST on Sales	A	5,362.15	-	5,362.15
	Other expenses	E	19,447.82	73.83	19,521.65
	Total expenses		82,516.54	73.83	82,590.37
IV	Profit Before Tax		5,777.37	(53.64)	5,723.73
V.	Tax expense:				
	(1) Current Tax	F	2,136.00	-	2,136.00
	(2) Deferred Tax	G	(16.23)	-	(16.23)
VI	Profit for the period (IV-V)		3,657.60	(53.64)	3,603.96
VII	Other comprehensive income for the year, net of Tax		-	29.05	-
VII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR,NET OF TAX	H	3,657.60	(24.59)	3,603.96

Explanations for reconciliation of statement of Profit & Loss as previously reported under IGAAP to Ind AS.

A) Depreciation : Under Indian GAAP in the past depreciation for some period was charged on leasehold industrial land.

On the date of transition to Ind.AS the depreciation so charged has been reversed and adjusted to retained earning.

B) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair valuation of investments. The concept of other comprehensive income did not exist under previous GAAP.

C) Current tax

Tax related to earlier year has been considered as prior period adjustment and shown as appropriation with the balances in the Statement of Profit or Loss in Indian GAAP. Under Ind AS 12, the tax related to earlier year is the part of current tax and the reconciliation of the same should be separately disclosed.

D) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

PROPERTY , PLANT AND EQUIPMENT											(Rs. In Lacs)
PARTICULARS	Free hold Land	Lease Hold Land	Factory Shed & Building	Office Building	Plant& Machinery	Water, Elect & tele Instal	Computer	Furniture & Fixtures	Office equipments	Vehicle	Total
Gross Block Carring Value											
At 1st April 2016	34.63	226.79	4,228.76	1,647.30	23,882.52	292.84	885.54	1,115.25	700.77	3,547.44	36,561.84
Additions	-	-	75.81	8.13	558.79	18.78	26.41	41.98	61.59	174.49	965.99
Disposals	-	-	-	-	-	-	-	0.72	-	93.07	93.79
At 31st March 2017	34.63	226.79	4,304.58	1,655.43	24,441.31	311.62	911.95	1,156.52	762.36	3,628.86	37,434.04
Additions	-	-	63.96	23.34	400.47	2.99	8.21	31.13	114.12	134.76	778.99
Disposals	-	-	-	-	-	-	-	-	-	30.84	30.84
At 31st March 2018	34.63	226.79	4,368.54	1,678.77	24,841.78	314.61	920.15	1,187.66	876.48	3,732.79	38,182.20
Depreciation	-	-	-	-	-	-	-	-	-	-	-
At 1st April 2016	-	-	1,775.58	510.29	15,643.43	184.45	827.68	769.65	561.98	2,299.23	22,572.29
Change for the year	-	-	239.22	103.43	1,674.10	28.91	19.24	78.11	74.76	278.21	2,495.98
Disposals/	-	-	-	-	(0.99)	-	-	0.29	-	84.08	83.38
Adjustment	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	-	2,014.80	613.71	17,318.52	213.36	846.91	847.47	636.74	2,493.37	24,984.89
Change for the year	-	-	230.56	94.51	1,585.55	22.09	18.87	66.49	77.49	235.66	2,331.22
Disposals/	-	-	-	-	-	-	-	-	-	28.94	28.94
(Adjustment)	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2018	-	-	2,245.35	708.22	18,904.08	235.46	865.79	913.96	714.23	2,700.08	27,287.18
Net Block											
At 1st April 2016	34.63	226.79	2,453.18	1,137.01	8,239.08	108.39	57.87	345.60	138.79	1,248.21	13,989.55
At 31st March 2017	34.63	226.79	2,289.78	1,041.71	7,122.78	98.26	65.03	309.05	125.62	1,135.49	12,449.15
At 31st March 2018	34.63	226.79	2,123.19	970.54	5,937.70	79.16	54.37	273.70	162.24	1,032.70	10,895.02

(Rs. In Lacs)

5 INVESTMENT
(Rs. In Lakhs)

Particulars	Face value per unit in Rs	No of Shares/ unit as at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Investment					
Value at cost					
Non Trade Investments					
Carried at fair Value through OCI					
Investment in Equity Instruments, fully paid up (unquoted)					
Konark Metcoke Ltd.	10	7,00,000	70.00	70.00	70.00
BEC Fertilizers Ltd. (8% Pref.Share) Mumbai	1	4,18,35,000	2,091.75	-	-
Hosak Industries & Plastics Ltd.	10	5,000	0.50	0.50	0.50
Madhu Memorial hospital Ltd.	10	1,50,000	15.00	15.00	15.00
Total Unquoted Shares			2,177.25	85.50	85.50
Value at FVTOCI			2,176.80	85.05	85.50
Quoted					
Gujrat Carbon Ltd.	1	1,500	0.75	0.75	0.75
Total quoted Shares			0.75	0.75	0.75
Value at FVTOCI			0.02	0.01	0.75
Other Long Term Investment					
NSC's	-	-	0.18	0.18	0.18
Total Other Long Term Investment			0.18	0.18	0.18
Other Long Term Investment					
SBI Magnum Equity ESG Fund reg.- Gr	-	-	-	2.00	2.00
Adity Birla Sunlife Balance'95 Fund - Growth	-	41,138.720	300.00	-	-
L & T INDIA Prudence Fund Growth	-	5,96,065.965	150.00	-	-
Reliance Regular Saving Fund	-	2,47,094.266	130.00	-	-
Reliance Vision Fund Direct Growth Plan Growth Option	-	1,187.702	8.25	5.25	-
Reliance Focused Equity Fund Direct Growth Plan Growth	-	11,812.429	6.60	4.20	-
Reliance Credit Risk Fund Growth Plan Growth Option	-	50,95,675.590	909.56	909.56	-
Reliance Equity Hybrid Fund Direct Growth Plan Growth op	-	26,265.120	11.31	11.31	-
Reliance Tax Saver Fund Direct Plan Growth Plan	-	38,213.351	18.00	18.00	-
SBI Equity Hubrid Fund Reg Dividend	-	38,308.271	8.96	5.50	-
SBI Saving Fund	-	-	-	189.73	-
SBI Premier Liquid Fund	-	-	-	-	1,004.10
Total Mutual Fund			1,542.68	1,145.55	1,006.10
Value at FVTOCI			1,862.68	1,410.38	1,006.10
Agregate amount of quoted investments and market value there of			3,720.86	1,231.98	1,092.53
Agregate amount of investments at cost			3,720.86	1,231.98	1,092.53
Agregate amount of investments at FVTOCI.			4,039.68	1,495.62	1,092.53

6 OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

(Rs. In Lakhs)

Particulars	Non- Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance other than capital advance	-	-	-	12.36	4.08	14.89
Loans & Advance To Related Parties	6,902.21	9,522.21	9,356.97	-	-	-
Advance To Staff & Others	-	-	-	1,672.65	2,137.48	2,362.85
Advance to vendors	-	-	-	4,695.30	2,522.31	2,477.19
Prepaid expenses	-	-	-	520.88	609.14	600.06
Interest Accrued on FDR's	-	-	-	253.31	555.60	551.23
Balance with statutory /govt. authorities	-	-	-	3,637.73	2,552.65	2,198.33
Security deposit with govt. & other	933.35	932.19	952.08	-	-	-
TOTAL	7,835.56	10,454.40	10,309.05	10,792.23	8,381.27	8,204.55

7 INVENTORIES. (Valued at lower of cost and net realisable value)

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw-materials, Components, Stores & Spares	6,158.40	8,039.47	5,801.54
Finished Goods	3,389.85	2,227.93	1,050.44
Semi Finished goods	10,673.33	11,321.98	8,950.62
	20,221.58	21,589.39	15,802.61

8 TRADE RECEIVABLE

(Rs. In Lakhs)

Particulars	Non- Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Receivable						
- Outstanding more than one year	3,328.18	2,384.49	3,109.36	155.38	37.53	63.04
- Outstanding less than 6 months	-	-	-	23,052.94	23,543.60	20,728.19
- Outstanding more than 6 months but less than one year	-	-	-	1,135.81	1,163.26	551.69
	3,328.18	2,384.49	3,109.36	24,344.13	24,744.39	21,342.92

9 BANK, CASH AND CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	Non- Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and Cash Equivalents						
Balance with banks						
- in current account				3,811.10	362.82	461.34
- cash on hand				24.60	38.19	233.16
				3,835.70	401.01	694.51
Other bank balances						
Deposit with original maturity for more than 12 months	3,557.83	7,245.74	7,596.34	-	-	-
Deposit with original maturity for more than 3 months but less than 12 months	-	-	-	111.79	1,744.55	1,786.91
	3,557.83	7,245.74	7,596.34	111.79	1,744.55	1,786.91
	3,557.83	7,245.74	7,596.34	3,947.49	2,145.55	2,481.42

10 EQUITY SHARE CAPITAL**(Rs. In Lakhs)**

Particulars		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised				
1,15,00,000 Equity Shares of Rs. 10/- each		1,150.00	1,150.00	1,150.00
		1,150.00	1,150.00	1,150.00
Issued, Subscribed and paid-up				
47,19,320 Equity Shares of Rs. 10/- each fully paidup		471.93	471.93	471.93
		471.93	471.93	471.93

- a. Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting year.

(Rs. In Lakhs)

Particulars		As at 31.03.2018		As at 31.03.2017	
		No.	(Rs in Lakhs)	No.	(Rs in Lakhs)
At the beginning of the year		-	-	-	-
issued during the year		-	-	-	-
Outstanding at the end of the year		-	-	-	-

- b.
- Terms/right attached to equity shares

The company has only one class of equity shares having face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

- c. There is no holding/ultimate holding company of the company.

- d.
- Shareholders holding more than 5% shares in the company

(Rs. In Lakhs)

Particulars		As at 31.03.2018		As at 31.03.2017	
		No.	% of holding in the Class	No.	% of holding in the Class
(i) Balka Services (P) Ltd.		6,43,799	13.64	6,43,799	13.64
(ii) Kriner Services (P) Ltd.		6,40,999	13.58	6,40,999	13.58
(iii) Surge Services (P) Ltd.		6,41,200	13.59	6,41,200	13.59
(iv) Beco Agri. & Ind. (P) Ltd.		6,39,399	13.55	6,39,399	13.55
(v) Bhilai Management Services (P) Ltd.		6,39,399	13.55	6,39,399	13.55
(vi) Bhilai Investment Ltd.		3,70,160	7.84	3,70,160	7.84
(vi) Sudha Investment Ltd.		3,90,050	8.26	3,90,050	8.26

(Rs. In Lakhs)

Particulars	Effective Interest Rate	Maturity	Non-current portion			Current Maturities		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
11 BORROWINGS								
Secured								
Term Loan from Bank (refer note 13)			19.42	33.61	72.56	5.74	12.16	19.30
Term Loan from Financial Institution (refer note 15)			302.95	634.04	1,237.89	833.04	1,083.99	1,159.41
Total	-	-	322.37	667.65	1,310.45	838.78	1,096.15	1,178.71
Working Capital Loan (repayable on demand)			2,037.18	2,056.39	1,987.93	-	-	-
Unsecured			909.57	1,098.05	616.64	-	-	-
	-	-	909.57	1,098.05	616.64	-	-	-
Amount disclosed under the head "other current Liabilities" (refer note 13)			-	-	-	-	-	-
Net Amount	-	-	3,269.13	3,822.09	3,915.02	838.78	1,096.15	1,178.71

- 1) Term Loans are secured by 1st Pari Passu charge by way of Equitable Mortgage of factory leasehold land located at Bhilai and Urla including hypothecation of Plant & Machineries and entire existing and proposed Fixed Assets of the company and 2nd Pari-passu charge on the entire Current Assets of the company by way of hypothecation/pledge.
- 2) Term Loan from Financial Institution are secured by hypothecation of the Plant & Machinery purchased by the company.
- 3) Term Loans have also been guaranteed by some of the Directors.

12 DEFERRED TAX (ASSETS)/ LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)			
Deferred tax (Assets)/ Liabilities			
Deferred tax Liabilities /(assets) at the beginning of the year	170.57	186.80	417.68
Deferred tax Liabilities /(assets) during the year on account of timing difference	(175.68)	(16.23)	(230.88)
D.T.L. (OCI) - At the beginning of the year	(5.11)	170.57	186.80
I.Tax Provision (OCI)	-	-	-
DEFERRED TAX LIABILITIES/(ASSETS) AT THE END OF THE YEAR	112.67	262.23	186.80

12A OTHER NON-CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars			Non-current portion			Current Maturities		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Retention money/ Security Deposit payable			1,158.52	1,360.84	1,401.99	-	-	-
Advance From Customers			3,500.00	4,500.00	3,000.00	-	-	-
Total	-	-	4,658.52	5,860.84	4,401.99	-	-	-

13 BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash Credit facility from Bank (secured)	11,033.40	14,280.53	16,444.61
Term Loan from Bank (secured) (refer note 11)	5.74	12.16	19.30
Total	11,039.14	14,292.69	16,463.91

14 TRADE PAYABLE

(Rs. In Lakhs)

Particulars			Non-current portion			Current Maturities		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade payables (refer note 34 for details of dues for micro and small enterprises)			-	-	-	18,705.02	17,921.91	12,787.11
Sundry Creditors from Related Parties			816.00	437.19	397.57	1,321.15	1,153.20	963.54
			816.00	437.19	397.57	20,026.17	19,075.11	13,750.65

15 OTHER FINANCIAL LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current maturities of long-term borrowings(secured) (refer Note-11)	833.04	1,083.99	1,159.41
Liabilities for expenses	402.68	332.18	418.11
	1,235.72	1,416.17	1,577.52

16 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Duties & Taxes Payable	531.41	529.41	482.68
TDS payable	100.10	189.29	85.37
Others	766.80	491.06	496.68
Advance from Customer	4,497.84	4,532.43	6,393.69
	5,896.15	5,742.20	7,458.42

17 PROVISION

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Employee Benefits	643.34	574.96	487.91
Provision for Gratuity	-	7.18	7.18
Provision for Income Tax	645.00	-	-
Others	1,047.56	685.84	548.34
	2,335.90	1,267.99	1,043.43

18 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Revenue from operations		
Sale of Products / Services	87,409.68	84,498.59
Export Sales	4,766.81	2,801.76
Revenue from operations (Gross)	92,176.49	87,300.35

19 OTHER INCOME

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest Income on		
Bank Deposits & Others	725.75	956.95
Rental Income	20.52	24.49
Dividend	1.46	-
Dividend on Mutual Fund	2.25	-
Profit on sale of Investments	1.84	4.90
Profit on sale of fixed assets	0.85	11.89
Foreign Currency Exchange Variation	25.07	20.20
Other non-operating income (net of expenses directly attributable to such)	233.63	(4.67)
	1,011.37	1,013.75
TDS - on Sales, Subsidies & Services	189.35	267.25
on Rent	1.69	1.83
on Interest	72.79	100.59

20 COST OF MATERIAL AND COMPONENTS CONSUMED

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Inventory at the beginning of the year	8,039.47	5,801.54
Add: Purchase	47,750.58	48,825.79
	55,790.05	54,627.33
Less: Inventory at the end of the year	6,158.40	8,039.47
Cost of raw material and components consumed	49,631.65	46,587.86

21 (INCREASE)/DECREASE IN INVENTORIES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Inventory at the end of the year		
Finished goods	3,389.85	2,227.93
Semi finished Goods	10,673.33	11,321.98
	14,063.18	13,549.91
Inventory at the beginning of the year		
Finished goods	2,227.93	1,050.44
Semi finished Goods	11,321.98	8,950.62
	13,549.91	10,001.07
Net (increase)/decrease in inventories	(513.27)	(3,548.85)

22 EMPLOYEES BENEFITS EXPENSES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Salaries , wages and bonus	6,631.99	7,334.75
Directors' remuneration	134.76	65.15
Contribution to provident and other fund	562.44	589.89
Gratuity Expenses	219.51	179.92
Workmen and staff welfare expenses	244.96	329.62
	7,793.65	8,499.33

23 FINANCE COSTS

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest		
- on Corporate / term loan	242.97	314.75
- on working capital	1,508.14	1,610.04
- on others	800.49	726.75
Bank Charges	1,284.04	1,091.69
	3,835.64	3,743.24

24 DEPRECIATION AND AMORTIZATION EXPENSES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Depreciation on tangible assets	2,331.22	2,495.81
Less:- Trf. from Capital subsidy Reserve	(33.33)	(70.83)
	2,297.89	2,424.98

25 OTHER EXPENSES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Processing Charges	8,252.08	9,137.01
Power & Fuel	1,613.89	1,817.26
Lease Rent on Plant & Machinery	539.61	391.39
Drawing & Detailing Expenses	172.77	411.39
Repairs & Maintenance		
- Buildings	121.56	105.09
- Plant & Machinery	399.64	483.80
- Other	286.26	261.13
Testing / Laboratory Charges	78.38	95.56
Rent, Rates & Taxes	290.69	319.93
Insurance	209.48	133.50
Prining/Stationery/Postage/Telephone etc.	199.20	260.86
Donation & Contributions	10.42	13.96
Legal/Professional/Consultancy Fee.	803.16	978.94
Advertisement/Sales Promotion/Subscription/Membership	102.49	224.95
Transportation, Loading & Port Clearing	1,962.35	1,712.56
Discount, Rebates, LD & Bad Debts	2,948.01	492.73
Travelling & Conveyance Expenses	920.49	1,080.28
Brokerage and Commission	5.13	3.66
CSR Contribution	6.85	53.64
Payment to Auditor	9.44	16.09
Miscellaneous Expenses	1,233.25	1,527.90
	20,165.15	19,521.64

OTHER EXPENSES

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<u>As Auditor:</u>		
- Audit Fees (Includes Cost Audit Fees)	7.30	11.24
- Tax Audit Fees	1.81	1.55
in other Capacity		
Taxation Matters	-	0.65
Out of pocket expenses	0.34	2.66
	9.44	16.09

26 EARNINGS PER SHARE(EPS)

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Net profit as per statement of profit and loss.	920.40	3,603.98
Net profit attributable to Equity Shareholders	920.40	3,603.98
Nominal Value of Equity Shares	10/-	10/-
Weighted average number of equity shares for calculating Basic EPS	47,19,320	47,19,320
Weighted average number of equity shares for calculating Diluted EPS	47,19,320	47,19,320
Basic and Diluted EPS		
-Basic earning per share (in Rs.)	19.50	76.37
-Diluted earning per share (in Rs.)	19.50	76.37

27. CONTINGENT LIABILITIES :

a) Bank Guarantees & Letters of Credit	36,011.75	34,725.42
(Time deposits pledged with banks agst. Above)	3,147.90	2,829.23
b) Estimated amount of contracts remaining to be executed on capital account (net of advance to suppliers)	-	-
c) Excise/Service Tax matters	90.40	575.28
d) Sales Tax Matters	861.88	542.15
e) Penalties for late deliveries / liquidated damages in respect of contracts are accounted for as and when claims are received and accepted. Aggregate amount of possible claims as at the year end is not ascertained.		

28. INFORMATION REGARDING EXPORTS & IMPORTS & OTHER MATTERS

1. <u>Earnings in Foreign Currency :</u>		
- FOB value of Exports	4,908.26	2,693.72
2. <u>Value of Imports on CIF basis :</u>		
- Raw materials & components	2,861.36	4,992.54
- Capital Goods	-	144.10
(Including under Install. & Capital Adv)		
3. <u>Value of imported & indegenous raw material & components consumed:</u>		
- Imported at landed cost	2,865.32	4,992.54
- Indegenously obtained	46,766.33	41,595.32
(steel castings,forgings and bought-out spares,components & stores etc.)		
<u>Percentage to total consumption:</u>		
- Imported	5.77%	10.71%
- Indigeneously obtained	94.23%	89.29%

29. EXPENDITURE IN FOREIGN CURRENCY & OTHERS

(subject to deduction of tax where applicable)

(i) Travelling Expenses	335.33	234.42
(ii) Drawing & Detailing	105.70	153.59
(iii) Commission & Brokrage	-	25.86
(IV) Machinery Repairs & Maintenance	1.94	-
(iii) Others	38.76	163.57

30. Segmental Reporting (Accounting Standard 17)
Segment information for the year ended 31.03.2018
Information about Primary Business Segments

	31 st March 2018						31 st March 2017					
	Engg.	Fertilizer	Food	corporate	Constn	Rs in Lacs Total	Engg.	Fertilizer	Food	corporate	Constn	Rs in Lacs Total
(A) Segmental Revenue												
External Sales	80,325.03	8,897.67	2,949.98	-	3.82	92,176.49	76,461.04	8,723.27	2,098.12	-	17.93	87,300.35
Other Income	766.67	20.84	169.46	54.11	0.30	1,011.37	821.70	30.18	19.81	141.77	0.28	1,013.75
Total	81,091.70	8,918.51	3,119.44	54.11	4.12	93,187.87	77,282.74	8,753.46	2,117.93	141.77	18.20	88,314.10
(B) Segment Results												
	1,591.66	45.41	(176.36)	(533.34)	(6.97)	920.40	4,425.39	14.14	(248.41)	(579.04)	(8.10)	3,603.98
(C) Other Information												
Segment Assets	82,427.31	13,500.28	(2,074.98)	(2,863.45)	(1,681.76)	89,307.40	81,845.91	14,552.27	(993.15)	(2,567.57)	(1,659.09)	91,178.37
Segment Liabilities	36,204.34	7,748.84	1,644.52	3,775.65	16.04	49,389.40	37,243.65	8,846.25	2,516.66	3,538.21	31.73	52,176.50
Unallocated Share Capital & Reserves						(0.00)						(0.00)
Inter Segment Assets / (Liabilities)	9,409.51	3,232.21	(5,010.98)	(5,935.18)	(1,695.55)	2,297.89	8,403.06	4,344.87	(4,996.91)	(6,071.36)	(1,679.67)	2,424.98
Depreciation	1,800.03	218.79	269.96	8.63	0.48	778.99	1,894.00	255.85	263.38	10.77	0.98	965.99
Capital Expenditure	719.67	22.84	32.45	4.04	-	778.99	664.43	113.06	184.35	4.15	-	965.99
Sundry Creditors (SSI Units)	18.20	106.14				7.53		143.55				

31) **Disclosures as required by Ind AS 19 Employees Benefits:-**

- a) **Defined Contribution Plan:-**
Amount of Rs 562.44 lac (Rs 589.89 lac) is recognized as expenses under the following defined contribution plan (refer Note No.22)
- b) **Defined Benefit Plan**
Gratuity - Company pays to eligible employees at retirement, death, incapacitation or termination of employment the amount as prescribed under the payment of Gratuity Act 1972. The company charges its Profit & Loss a/c as and when actual payment is made. Gratuity paid is Rs 219.51 Lac (Rs 179.92 lac)

Company is in the process of getting the actuarial valuation. Once it is done then required provision shall be made in the accounts.

32) **(a) Financial Risk Management :- Objectives and Policies**

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other financial assets, trade and other receivables, and cash and short- term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(b) Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties non-performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, considering the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

(c) Trade Receivables : Trade receivables represent the most significant exposure to credit risk and the management reviews the trade receivable of more than three years old write off the non-recoverable amount.

(d) Bank, Cash and Cash equivalents:

Bank, Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(` in lakhs)

Particulars	31-Mar-18	31-Mar-17
Trade receivables	27672.31	27128.87
Bank, Cash and cash equivalents	3947.49	2145.55

(e) Ageing analysis of Trade Receivables

	31-Mar-18	31-Mar-17
Upto 3 months	21460.67	20537.51
3-6 months	1748.79	3043.62
More than 6 months	4462.84	3547.75
	27672.31	27128.87

(f) Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to enough funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have enough liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

(g) Financing arrangements

The Company has access to following undrawn borrowing facilities at the year end.

(Rs. In Lakhs)

	31-Mar-18	31-Mar-17
Cash Credit facilities	-	-

(h) Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(Rs.in Lakhs)

As at 31 March 2018	Less than 1 year	More than 1 years	Total
Borrowings	11872.18	3269.13	15141.31
Trade payables	20026.17	816.00	20842.17
Other financial liabilities	402.68	-	402.68
	32301.03	4085.13	36386.16

(Rs.in Lakhs)

As at 31 March 2017	Less than 1 year	More than 1 years	Total
Borrowings	15376.68	3822.09	19198.77
Trade payables	19075.11	437.19	19512.30
Other financial liabilities	332.18	-	332.18
	34783.97	4259.28	39043.25

(i) Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking action as necessary to maintain an appropriate balance.

(j) Forex Exposure Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR).

As the forex exposure risk is comparatively insignificant, the profit/loss is charged to P & L on actual transaction and no provision is made.

(k) Price Risk

The entity is exposed to equity price risk, which arises out from FVTOCI quoted equity shares and mutual funds. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

33) CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure enough liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets to maintain investors, creditors and market confidence and to sustain future development of the business.

The company has complied with the covenants of the terms of the major borrowing facilities throughout the reporting period.

34) Financial Instruments – Accounting classifications and fair value measurements: -

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

- 1) Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) In respect of investments the company uses the following methods: -
 - a) In respect of quoted investments, quoted market price on the Balance Sheet date.
 - b) In respect of unquoted investment, fair market value on the Balance Sheet date.
 - c) In respect of foreign investment at the exchange rate on the Balance Sheet date.

List of investments considered for valuation

	Face value Per unit in Rs.	No of shares/unit as at 31.03.18	As at 31.03.18	As at 31.03.17	As at 01.04.16
Trade Investment					
Value at cost					
Non Trade Investments					
Carried at fair Value through OCI					
Investment in Equity Instruments, fully paid up (unquoted)					
Konark Metcoke Ltd.	10	7,00,000	70.00	70.00	70.00
BEC Fertilizers Ltd. (8% Pref.Share) Mumbai	1	4,18,35,000	2,091.75	-	-
Hosak Industries & Plastics Ltd.	10	5,000	0.50	0.50	0.50
Madhu Memorial hospital Ltd.	10	150,000	15.00	15.00	15.00
Total Unquoted Shares			2,177.25	85.50	85.50
Value at FVTOCI			2,176.80	85.05	85.50
Quoted					
Gujrat Carbon Ltd.	1	1,500	0.75	0.75	0.75
Total quoted Shares			0.75	0.75	0.75
Value at FVTOCI			0.02	0.01	0.75
Other Long Term Investment					
NSC's	-	-	0.18	0.18	0.18
Total Other Long Term Investment			0.18	0.18	0.18
Other Long Term Investment					
SBI Magnum Equity ESG Fund reg.- Gr	-	-	-	2.00	2.00
Adity Birla Sunlife Balance'95 Fund - Growth	-	41,138.720	300.00	-	-
L & T INDIA Prudence Fund Growth	-	596,065.965	150.00	-	-
Reliance Regular Saving Fund	-	247,094.266	130.00	-	-
Reliance Vision Fund Direct Growth Plan Growth Option	-	1,187.702	8.25	5.25	-
Reliance Focused Equity Fund Direct Growth Plan Growth	-	11,812.429	6.60	4.20	-
Reliance Credit Risk Fund Growth Plan Growth Option	-	5,095,675.590	909.56	909.56	-
Reliance Equity Hybrid Fund Direct Growth Plan Growth op	-	26,265.120	11.31	11.31	-
Reliance Tax Saver Fund Direct Plan Growth Plan	-	38,213.351	18.00	18.00	-
SBI Equity Hubrid Fund Reg Dividend	-	38,308.271	8.96	5.50	-
SBI Saving Fund	-	-	-	189.73	-
SBI Premier Liquid Fund	-	-	-	-	1,004.10
Total Mutual Fund			1,542.68	1,145.55	1,006.10
Value at FVTOCI			1,862.68	1,410.38	1,006.10
Aggregate amount of quoted investments and market value thereof			3,720.86	1,231.98	1,092.53
Aggregate amount of investments at cost			3,720.86	1,231.98	1,092.53
Aggregate amount of investments at FVTOCY			4039.68	1495.62	1092.53

35. Information on Related Party Transactions as required by Accounting Standard-18
For the year ended 31st March'2018

Details of transactions during the year with Related Parties	As at 31.03.2018			As at 31.03.2017		
	Associates	Directors	Relatives of Directors	Associates	Directors	Relatives of Directors
Purchase of Goods	300.58	-	-	1089.49	-	-
Sale of Goods	929.10	-	-	502.55	-	-
Contract Work	7075.81	-	-	7322.11	-	-
Interest Paid	4.75	69.42	6.07	3.59	71.78	-
Interest Received	251.65	-	-	237.51	-	-
Rent paid	174.60	19.80	25.20	163.20	1.74	1.80
Rent Received	13.20	-	-	12.00	-	-
Fixed Assets Purchase	-	-	-	-	-	-
Remuneration	-	229.00	183.73	-	179.19	644.93
Consultancy	444.00	-	-	393.00	-	-
Freight	-	-	-	1.70	-	-
Hire Charges	13.75	-	-	11.25	-	-
	9207.44	318.22	215.00	9736.40	252.71	646.73

Outstanding

Amount due from	8208.92	-	3.30	9812.29	-	39.09
Amount due to	1717.43	1106.29	649.93	1633.24	1091.44	56.31

Associates:

BEC Projects Ltd., Bhilai Management Services Pvt. Ltd., Novel Projects Ltd., Sudha Investment Ltd., Kirtimoya Capital Ltd., J.P. Jain Trust, Vishva Vishal Engineering Ltd., Kiosk Properties (P) Ltd., Hosak Industries & Plastics Ltd, BEC Impex International Pvt. Ltd., BEC Strips Ltd. , Arpa Chemicals Ltd., Madhu Memorial Hospital Ltd., Bharat Industrial Works (Bhilai) Pvt. Ltd., Bharat Industrial Works, Bhilai Motor Car Co., Bhilai Investment Ltd., Surge Services Pvt. Ltd., BECO Chemical Pvt. Ltd, BEC Fertilizer Ltd., Kriner Services Pvt.Ltd., Mewar Fibre Holding Pvt.Ltd., Cooltex Holding Ltd., Jafferson Leasing & Finance Ltd., Ashish Industries & Comml. Ent. Pvt. Ltd., Perennial Finance & Investment Pvt.Ltd., Jain Industrial & Comm. Ent. Pvt. Ltd., BEC Minerals Pvt. Ltd., Balka Services (P) Ltd., BECO Agri. & Ind. (P) Ltd., Jain Agriculture Farm, Kirtiman Infrastructure (P) Ltd., BEC Infra (P) Ltd., R.V. Global (P) Ltd., Bhilai Engineering Company Ltd.,BEC Casting & Engineering (India) Ltd., Bhilai Engineering Industries Ltd. & Bhilai Food Product company.

Directors: Shri S.K. Jain, A.K. Jain, Veenu Jain, Ashish Jain, Smt. Krishna Jain and Ms Geetika Jain.

Relatives of Directors: Smt Poonam Jain, Smt Rachna Jain, Smt Kanika Jain, Miss Priyanka Jain, Shri Viren Rai Jain, Shri Arjun Rai Jain, Smt Shipra Jain

Requirement under the Companies Act, 2013

As required by the Companies Act' 2013, none of the related party transaction was approved in the meeting of Board of Director's, Audit Committee & Shareholders, as the case may be.

36. - OTHER NOTES

- (a) The Company has not considered liability of GST on Finished Goods at the year end. Had it been so the value of inventories as well as current liabilities would have been higher by Rs.235.83 Lacs (Previous Year. Rs. 103.78 Lacs) and thus there would have been no impact on the profit for the year.
- (b) Sundry Creditors includes Secured Creditors of Rs. 9445.07 Lac (Prev. Yr. Rs. 9578.23) by way of LC provided by banks.
- (c) Impairment of Assets-As explained there being no indication of impairment of assets, no loss has been recognized on this account by the Company pursuant to AS-28.
- (d) Sundry Creditors Include amount of Rs.124.34 Lac (151.08 Lac) due to following SSI Units PUNJ STAR INSULATION, GOLDEN ENGG & ENT., LIQUEE SALES (P) LTD., BAJRANG CONVEYORS, DEVAD LINE INDUSTRIES, PRISME INFOTECH, BALAJI ENGINEERING & CASTINGS, CHHAYA ENGINEERING WORKS, J.P. ENGINEERING, MAITY TECHNO ENTERPRISES, SHYAM ENGINEERING WORKS, UTKAL ENGINEERING WORKS, ASSOCIATED ACCESSORIES PVT. LTD.
- (e) The Company has not spend 2% of the average net profit of three immediately preceding financial year, in pursuance to Corporate Social Responsibility policy as prescribed by the section 135 of the Companies Act, 2013. The relevant details as per the Companies Act, 2013 are as follows:

(Rs. In Lacs)

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
Average net profit of the Company for last three financial years	3112.98	4659.47
Prescribe CSR expenditure (2% of the average net profit as computed above)	62.26	93.19
Details of CSR expenditure incurred during the financial year	6.85	53.64
Amount unspent	55.41	39.55

- (f) The Company has no independent director.
- (g) The Company has no Company Secretary.
- (h) Inventories are as certified by the management.
- (i) Production & Sales exclude Inter Divisions Transactions.

- (j) The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax Assets amounting to Rs. 5.11 Lacs has been recognized.

(Rs. In Lacs)

Particulars	Opening as at April 1, 2017	Charge/(Credit) during the year	Closing as at March 31, 2018
Deferred Tax Assets			
Expenses allowable on payment basis	--	--	--
Deferred Tax Liabilities			
Depreciation & related items	170.57	(175.68)	(5.11)
Net Deferred Tax Liabilities	170.57	(175.68)	(5.11)

Signature to Notes '1' to '36'

FOR Laxmi Tripti & Associates

Chartered Accountants

SD/-

(Laxmi Narayan Agrawal)

Partner

Place : Bhilai

Date :3rd September' 2018

FOR AND ON BEHALF OF THE BOARD

Sd/-

Veenu Jain

Sd/-

Arvind Jain

Sd/-

Geetika Jain

(Director)