

## FORM A

1.	Name of the Company	Saurashtra Cement Limited.
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit Observation	Nil (Un-qualified) <i>[Signature]</i>
4.	Frequency of Observation	N.A.
5.	To be signed by-	<div> <p><i>[Signature]</i></p> <p>M. S. Gilotra</p> <p><i>[Signature]</i></p> <p>V. R. Mohnot</p> <p>For Banshi S. Mehta &amp; Co., Chartered Accountants Firm Regn. No. 100991W</p> <p><i>[Signature]</i></p> <p>Paresh H. Clerk Partner M.No. 36148</p> <p><i>[Signature]</i></p> <p>M. N. Rao</p> </div>

Dated : 30<sup>th</sup> September, 2014



Saurashtra Cement  
Limited



# ANNUAL REPORT

## 2013-2014



## Board of Directors

As on 30.05.2014

Mr. M. N. Mehta  
Mr. Jay M. Mehta  
Mr. Hemang D. Mehta  
Mr. M. N. Rao  
Mr. S. V. S. Raghavan  
Mr. B. P. Deshmukh  
Mr. K. N. Bhandari  
Mr. Jayant N. Godbole  
Mr. Hemnabh Khatau  
Mr. Bimal Thakkar  
Mr. P. K. Behl  
Mrs. Bhagyam Ramani  
Mr. Anil Kaul  
Mr. Denys Firth  
Mr. Alexander Shaik  
Mr. Susheel Kak  
Mr. M. S. Gilotra



*Chairman*

*Executive Vice Chairman*

*Special Director - BIFR*

*Nominee - India Debt Management Pvt. Ltd.*

*Managing Director*

## Director (Finance) & Company Secretary

Mr. V. R. Mohnot

### Bankers

Central Bank of India  
Dena Bank  
Bank of India  
Rajkot Nagarik Sahakari Bank Ltd.  
HDFC Bank Ltd.

### Auditors

Messers. Bansi S. Mehta & Co.  
Chartered Accountants

### Registered Office & Works

Near Railway Station,  
Ranavav 360 560 (Gujarat)  
Tel. 02801 - 235001/7, 02801 - 304200  
Fax: 02801 - 304376, 304384  
CIN: L26941GJ1956PLC000840

### Corporate Office

N. K. Mehta International House, 2nd Floor,  
178, Backbay Reclamation, Mumbai 400 020.  
Tel. 022- 66365444, Fax : 022-66365445

### Registrars & Transfer Agent:

M/s. Link Intime India Pvt Ltd  
(Unit: Saurashtra Cement Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.  
Tel. 022- 25963838, Fax : 022-25946969

**Website:** [www.mehtagroup.com](http://www.mehtagroup.com)

## DIRECTORS' REPORT

Dear Members,

The Directors present the 56th Annual Report, Audited Accounts and Auditors Report for the Financial Year ended on the 31st of March, 2014.

### FINANCIAL RESULTS

The highlights of the financial results for the Financial year ended 31st of March 2014 are given below.

(In Million Rupees)

Particulars	Standalone		Consolidated	
	Current Financial Year 2013-2014	Previous Financial Year 2012-13	Current Financial Year 2013-2014	Previous Financial Year 2012-13
Revenue from Operation and Other Income (Net of Excise)	5359.69	5481.69	5364.57	5506.08
Profit before interest, depreciation and exceptional items.	628.82	1227.11	631.58	1224.20
Finance Cost	163.70	333.83	163.70	333.83
Profit/(Loss) before depreciation	465.12	893.28	467.88	891.37
Depreciation & Impairment	258.62	343.96	258.84	344.26
Profit/(Loss) before exceptional items and Deferred Tax Assets	206.50	549.33	209.04	546.11
Exceptional Item	Nil	1611.53	Nil	1611.53
Deferred Tax Assets / Tax Expense	Nil	320.47	0.06	320.47
Profit/(Loss) after tax	206.50	1840.39	208.98	1837.17
Brought forward Profit/(Loss) from earlier years	(1073.53)	(2913.92)	(1096.02)	(2933.19)
Balance of Profit / (Loss) carried to Balance Sheet	(867.03)	(1073.53)	(887.04)	(1096.02)

### THE YEAR UNDER REVIEW

The slowdown in the economy resulted in static growth rate for the eight core industries (including cement, steel, fertilizer, oil, gas etc.), which remained at around 3 percent during April, 2013 to March, 2014 similar to the previous year. The cumulative growth rate in cement production is also on lower side at around 3 percent compared to around 6 percent in the previous year.

Cement consumption in Gujarat, our main market declined by 6 percent over the previous year, which is all time low in the last six years. The regular increase in diesel price, amounting to around 16 percent during the year, resulted in higher cost of manufacturing as well as cost of delivery for cement.

The decline in the consumption in our markets and the higher capacities of cement in our region resulted in surplus availability of cement. This factor, coupled with the highly fragmented markets, resulted in lower cement prices during the year. Due to increase in cost of inputs and transportation as well as lower realization from our local markets resulted in substantial drop in profit from ordinary activities. The availability of raw materials and the good industrial environment in the State of Gujarat is likely to result in continued over supply in the State. Energy cost escalations, increased cost of transportation and high incidence of taxes continue to challenge the Industry.

### PERFORMANCE REVIEW

#### Production and Sales

The production of clinker for the year ended March, 2014 was 1.31 million tonnes, which was 106 percent of the rated capacity of the production unit and was also more than clinker production of 1.28 million tonnes for the year ended March, 2013.

The cement production for the year ended March, 2014 was 1.33 million tonnes, which was marginally lower than the cement production of 1.34 million tonnes in the year ended March, 2013. The lower cement production was commensurate with cement sales and in order to compensate the lower cement sales, clinker was sold in the local and export markets and the overall (clinker + cement) sales of 1.46 million tonnes which was more than the overall sales of the previous year ended March, 2013.

The lower cement consumption in Gujarat, higher manufacturing cost due to escalations in raw material cost and the higher freight cost resulted in lower profitability.

#### Exports

The export of cement and clinker for the year ended March, 2014 was 0.35 million tonnes as compared to 0.31 million tonnes in the

previous year. Due to large surplus in our domestic markets, the exports continued to be a significant part of our revenues.

#### **DIVIDEND**

In view of the carried forward loss, the Directors have not recommended any dividend for the year.

#### **BIFR**

Hon'ble BIFR vide order dated 14.3.2013 sanctioned the rehabilitation scheme of the Company and the scheme is under implementation.

#### **PUBLIC DEPOSITS**

The Company has not invited and/or accepted any deposits, during the year.

#### **SUBSIDIARY COMPANIES**

Section 212 of the Companies Act, 1956, requires the Company to attach the directors' report, balance sheet, and profit and loss accounts of the subsidiary companies. The Ministry of Corporate Affairs, Government of India vide its circular no.2/2011 dated 8.2.2011 has granted a general exemption from complying with Section 212 (1) of the said Act.

Accordingly, the Annual Report does not contain the financial statements of the subsidiary companies. The financial information of the subsidiary companies as required by the said circular, is disclosed separately in this Annual Report. The statements of Company's interest in the subsidiaries as at March 31, 2014, prepared in accordance with the provisions of Section 212 of the said Act, are also attached with this Annual Report.

The Company will make available the Annual Accounts of the subsidiary companies to any member on their request and shall also be kept open for inspection by any member at the Registered office of the Company.

#### **CONSOLIDATED FINANCIAL STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchange, the Consolidated Financial Statement has been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by 'The Institute of Chartered Accountants of India'. The Audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

#### **DIRECTORS**

##### **Reappointment of Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Denys Firth, Mr. Hemang D. Mehta, Mr. Susheel Kak and Mr. Alexander Shaik retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

##### **Appointment of Additional Director**

In furtherance to the objective of induction of professional and Independent Directors on the Board and also mandated by Companies Act, 2013 and Corporate Governance requirements, Mr. P. K. Behl and Mrs. Bhagyam Ramani were appointed as Additional Directors as Independent Directors on the Board of Directors of the Company, who hold office upto the date of the ensuing Annual General Meeting and are eligible for appointment as such.

The Company has received requisite notice(s) from the Member(s) proposing the candidatures of above mentioned Directors for appointment as Directors of the Company.

##### **Appointment of Independent Directors**

Pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, the Independent Directors proposed to be appointed are eligible to hold office for 5 (five) consecutive years. Accordingly, Mr. M. N. Rao, Mr. S. V. S. Raghavan, Mr. B. P. Deshmukh, Mr. K. N. Bhandari, Mr. Jayant Godbole, Mr. Bimal Thakkar, Mr. P. K. Behl and Mrs. Bhagyam Ramani are being appointed as Independent Directors at the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of Directors seeking appointment / re-appointment along with other details as stipulated under Clause 49 of the Listing Agreement, are provided in the Notice for convening the Annual General Meeting.

The Directors recommend their re-appointment / appointment.

#### **LISTING OF EQUITY SHARES**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid upto 31st March 2015.

#### **AUDITORS**

M/s. Bansi S. Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company, who hold office upto the conclusion of the

ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 1956 who are eligible for re-appointment are recommended for re-appointment to audit the Accounts of the Company for the Financial Year 2014-15. As required under the provisions of the Companies Act, 2013, the Company has received written confirmation from M/s. Banshi S. Mehta & Co., that their appointment, if made, will be in conformity with the limits specified in the Section 143(1)(g) of the Companies Act, 2013.

## **TAX AUDIT**

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Banshi S. Mehta & Co., Chartered Accountants to carry out the Tax Audit for the Assessment Year 2014-15.

## **INTERNAL AUDIT**

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Haribhakti & Co., Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2014-15.

## **COST AUDITORS**

In pursuance to Order No.52/56/CAB-2010 dated 30th June 2011 issued under Section 233-B of the Companies Act, 1956, M/s. V. J. Talati & Co., Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2014-15. Certificate of eligibility under Section 148 of the Companies Act, 2013 has been received.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## **STAFF RELATIONS**

Industrial relations at our Factory and Offices remained cordial.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 the relevant particulars are enclosed in Annexure 1, forming part of the Report.

## **CORPORATE GOVERNANCE**

A separate report on the Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors forms part of this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis on the Operations of the Company is provided in a separate section and forms part of this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- The financial statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards, judgments and estimates that are reasonable and prudent.
- The accounting policies selected and applied consistently to give a true and fair view of the financial statements.
- The Company has implemented internal controls to provide reasonable assurances of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's internal auditors conduct regular internal audits, which complement the internal controls.
- The annual accounts have been prepared on a going concern basis.

## **ACKNOWLEDGEMENT**

The Directors wish to thank the Honourable Board of Industrial & Financial Reconstruction (BIFR), the Honourable Appellate Authority for Industrial & Financial Reconstruction (AAIFR), Central Government, Government of Gujarat, Financial Institutions, particularly India Debt Management Pvt. Ltd., Bankers, Shareholders, Employees, Stockists, Dealers and all other stakeholders associated with its operations for the co-operation and encouragement extended to the company.

On behalf of the Board of Directors

Place : Mumbai,  
Dated : May 30, 2014

**M.S.Gilotra**  
Managing Director

**Jay Mehta**  
Executive Vice Chairman

## Annexure to Directors' Report

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.14.**

### A. CONSERVATION OF ENERGY:

- a. ENERGY CONSERVATION MEASURES TAKEN
  1. Variable Frequency Drive (VFD's) installed at 2700 kw Raw mill fan
  2. Replacement of 15 old motors by high efficiency motors
  3. Use of energy efficient lamps by replacing Tube lights with T-5 fittings in colony
  4. Up-gradation of Cement Mill no.5 SCADA.
- b. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.
  1. Re-engineering of major fans for improvement in efficiency.
  2. Systematic Replacement of old motors by high efficiency motors
  3. Induction of more auto loader at Packing Plant.
  4. Conversion of cooler fan no.6 and 7 from V belt to direct drive.
- c. IMPACT OF MEASURES AT (a) AND (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND SUBSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.
  1. Reduction in fuel consumption
  2. Reduction in power consumption
- d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION  
Details are given in form A of the annexure

### B. TECHNOLOGY ABSORPTION.

Efforts made in Technology are given in prescribed Form B annexed.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plants:  
  
The Company is currently exporting its products in Sri Lanka, Maldives, Saudi Arabia, New Papua Guinea and African countries and looking forward to increase the market share in these countries, as well as exploring opportunities in other countries.
- b. Total Foreign Exchange used and earned.

	<b>Current Year 2013-14 (₹ in Lacs)</b>	<b>Current Year 2012-13 (₹ in Lacs)</b>
Foreign Exchange earned	<b>13,758.88</b>	9,484.81
Foreign Exchange used	<b>369.44</b>	554.69

## FORM A (See Rule 2)

Form for disclosure of particular with respect to conservation of engery)

	CURRENT YEAR 2013-14	PREVIOUS YEAR 2012-13
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
1 Electricity		
A Purchased units (Kwh )lakhs	18.44	13.64
Total amount (₹ in lakhs) incl. Fixed charges	340.18	237.29
Variable cost per unit (₹)	6.62	6.76
B Own generation		
1 Through diesel generator		
Net units (Kwh) lakhs	(1.43)*	9.86
Units /ltr of furnace oil	(3.82)	3.38
Variable total cost per unit in rupees	(12.57)	16.16
2 Through thermal power plant		
Net units (Kwh) lakhs	1339.62	1370.44
Total amount (₹ in lakhs)	5289.35	5011.01
Rate / unit (₹) (under trial run)	3.95	3.66
3 Coal and other fuels		
Quantity (Million K.Cal)	1028490	1009729
Total cost (₹ in lakhs)	10320.25	10112.96
Average rate /million K.Cal (₹)	1003.44	1001.55
4 Furnace oil		
Quantity (K.Ltrs)	138	541
Total amount (₹ in lakhs )	60.50	166.62
Rs per litre	43.88	30.78
<b>B) Consumption per unit of production</b>		
1 Electricity		
(Kwh / T of cement)	97.91	102.85
2 Coal /lignite		
Usage in %	12.18	12.19

\* Negative due to higher consumption of units by auxilliaries.



## FORM - B

### A. RESEARCH & DEVELOPMENT

#### a. Specific areas in which the company carried out R&D

1. Optimisation of Raw Mix design.
2. Improvement in finished product performance.

#### b. Benefits derived as a result of above R&D

Reliability and Power saving.

#### c. Future plan of action

1. Use of alternative / waste derived fuels for Power generation and Kilns
2. Use of VFD's in fan applications
3. Improvement in efficiency of fans by re-engineering
4. Deployment of higher capacity surface miner on top benches at mines.
5. Erection and commissioning of Clinker Silo to replace the Gantry.

### B. DETAILS OF TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

1. Replacement of 15 old motors by high efficiency motors.
2. Use of energy efficient lamps by replacing Tube lights with T-5 fittings in the colony.
3. Installation of VFD's for power savings.
4. Installation of electronic packer at packing plant in place of mechanical packer.
5. Fly ash storage, handling and dosing system.
6. Installation of truck loader in packing plant.

#### Benefits derived as a result of above efforts.

1. Optimization of Grinding process
2. Reduction in fuel consumption.
3. Reduction in power consumption.

### C. FUTURE PLANT UPGRADATION

1. Upgradation of plant PLC I/O's with latest input - output system compatible with existing controller.
2. Clinker storage and handling system.
3. Replacement of existing mechanical packer with the electronic packer.
4. Replacement of table feeders with weigh feeders in coal mill 2 and 3.

## **CORPORATE GOVERNANCE**

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, the Company's policies on the Corporate Governance and due Compliance report on specific areas wherever applicable for the Financial Year ended 31st March 2014 is given hereunder:

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Good Corporate Governance aims at achieving high level of efficiency, transparency, accountability, responsibility and fairness in dealings with all stakeholders. The Company's governance philosophy rests on protection of rights and interests of stakeholders, equity in their treatment, disclosure of timely and accurate information, strategic guidance and effective monitoring by the Board. Your Company continuously strives for excellence by adopting best governance and disclosure practices. In this context, your Company has been making significant disclosures on the Board composition and functioning, management thoughts on the performance and outlook from time to time.

Recently, the Securities and Exchange Board of India (SEBI) sought to amend the equity listing agreement to bring in additional corporate norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including treatment for minority shareholders.

Many of the amendments are effective from October 1, 2014. The amended rules require companies to get shareholders' approval for related party transactions, establish whistle blower mechanisms, elaborate disclosures on pay packages and have at least one woman director on their boards.

The amended norms are aligned with the provisions of the Companies Act, 2013, and is aimed to encourage companies to 'adopt best practices on Corporate Governance'.

We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. It is well recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance. At SCL, the Board of Directors ("the Board") is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long term interests of our stakeholders.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

### **2. BOARD OF DIRECTORS:**

#### **(i) Composition (as on 31st March, 2014)**

Your Company's Board comprises of 15 (Fifteen) Directors, which include 7 (seven) Independent Directors. The Executive Vice Chairman and Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

#### **(ii) Meetings of the Board of Directors**

During the Financial Year under review, 5 Board Meetings were held on the following dates:

<b>Sr.No.</b>	<b>Date of Board Meeting</b>	<b>Board Strength</b>	<b>No. of Directors present</b>
1	28.05.2013	15	13*
2	07.08.2013	15	14*
3	17.10.2013	15	13*
4	11.02.2014	15	15*
5	20.03.2014	15	08*

\*including Alternate Director/s

**(iii) Attendance and other Directorships**

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships in Public Limited companies and Chairmanships / Memberships of Committees of each Director in various companies.

The details of Directorship and attendance at Board Meeting & Annual General Meeting held on 31st July, 2013 are given below.

Sr. No.	Directors	Category of Directorship @	Board Meetings attended	Attendance at the last AGM	No. of other directorship held	No. of Board committees in which Member/ Chairman
1	Mr. M.N.Mehta (Chairman)	NED (P)	4	No	6	-
2	Mr. Jay M Mehta (Exec. Vice Chairman)	ED (P)	4	No	7	1
3	Mr. M.S.Gilotra (Managing Director)	ED	5	Yes	1	1
4	Mr. Hemang D.Mehta	NED (P)	4	No	-	-
5	Mr. S.V.S.Raghavan	NED (I)	3	No	1	1
6	Mr. M.N.Rao *	NED (I)	4	Yes	-	-
7	Mr. B.P. Deshmukh	NED (I)	5	No	1	-
8	Mr. K.N.Bhandari	NED (I)	4	No	9	4
9	Mr. Bimal R. Thakkar	NED (I)	5	No	3	1
10	Mr. Jayant N. Godbole	NED (I)	5	No	13	9
11	Mr. Hemnabh Khatau	NED (I)	3	No	6	-
12	Mr. Anil Kaul (Special Director – BIFR)	NED (SD)	5	Yes	1	-
13	Mr. Susheel Kak (Nominee - IDM)	NED (NI)	5	No	-	-
14	Mr. Alexander Shaik (Nominee – IDM)	NED (NI)	1	No	-	-
	Mr. Navin Sambtani	Alternate Director to Mr. Alexander Shaik	2	No	-	-
15	Mr. Denys Firth (Nominee – IDM)	NED (NI)	2	No	-	-
	Mr. Navin Sambtani	Alternate Director to Mr. Denys Firth	2	-	-	-

@NED (P) – Non Executive Director – Promoter Group

NED (I) – Non Executive Director – Independent

NED (NI) – Non Executive Director – Non Independent

NED (SD) – Non Executive Director – Special Director – BIFR Nominee

ED (P) – Executive Director (Promoter)

ED - Executive Director

\* Chairman of Audit Committee

**Information to the Board of Directors**

The following information is placed before the Board:

- Annual Revenue Budget and Capital Expenditure plans.
- Quarterly and annual financial results and results of operations.

- Budget and Financial plans of the Company.
- Formation / Reconstitution of Board Committees and Terms of Reference of Board Committees.
- Minutes of Meetings of Audit Committee, Remuneration Committee, Executive Committee, Finance & Legal Committee, Security Transfer and Shareholders Grievance Committee and Subsidiary Companies.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Any material or default, in meeting any financial obligation to and by the Company or substantial non-payment of goods sold, services rendered, if any.
- Any issue, which includes possible public or liability claims of substantial nature, including any judgment or order, if any, which may have passed strictures on the Company.
- Developments in respect of Human Resources.
- Compliance or Non-compliance of any Regulatory, Statutory or Listing requirement and Investor services such as non payment of dividend, delay in share transfer etc.

#### (iv) APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The brief resume of the Directors proposed to be appointed / reappointed is appended to the Notice of the Annual General Meeting.

### 3. AUDIT COMMITTEE

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

The Audit Committee of the Board comprises of four members viz. Mr. M.N.Rao, Mr. S.V.S.Raghavan, Mr. Anil Kaul and Mr. Susheel Kak. Mr. M.N.Rao is the Chairman of the Audit Committee. Mr. M. S. Gilotra, Managing Director is permanent invitee. Mr. V. R. Mohnot, CFO designated as Director (Finance) & Company Secretary acts as Secretary to the Audit Committee. Mr. M. N. Rao, Chairman of the Audit Committee was present at the last AGM.

The Audit Committee meetings were held on 28.05.2013, 07.08.2013, 17.10.2013 and 11.02.2014. Partners/Representative from M/s. Haribhakti & Co., Chartered Accountants –Internal Auditors, M/s Bansi S. Mehta & Co, Chartered Accountants-Statutory Auditors also attended the meetings.

Details of Audit Committee Meetings attended by the Audit Committee Members are given below:

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended.
1.	Mr. M.N.Rao (Chairman)	4	4
2.	Mr. S.V.S.Raghavan (Member)	4	3
3.	Mr. Anil Kaul (Member)	4	4
5.	Mr. Susheel Kak (Member)	4	3

The approved Minutes of the Audit Committee Meetings are circulated and noted by the Board of Directors at the subsequent Board Meetings.

#### Revised Terms of reference of Audit Committee

The terms of reference of the Audit Committee have been revised by the Board at its meeting held on 30.5.2014 to meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference are as under:

To:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of Auditors of the Company;

3. Approve payment to Statutory Auditors for any other services rendered by them.
4. Review the management, the annual financial statements and auditor's report thereon before submission, to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Review, with the management, the quarterly financial statements before submission to the board for approval;
6. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approve transactions of the Company with related parties and any subsequent modification;
9. Scrutinize inter-corporate loans and investments;
10. Consider Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate internal financial controls and risk management systems;
12. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discuss with Internal Auditors of any significant findings and follow up there on;
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower / Vigil Mechanism;
19. Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carry any other function as is mentioned in the terms of reference of the Audit Committee;

#### **4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

As per the Companies Act, 2013, all companies having a net worth of ₹ 500 crore or more, or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one director of whom will be an Independent Director.

Accordingly, the Board at its Meeting held on 30.5.2014 constituted the CSR Committee ("the Committee") comprising of the following Directors and the terms of reference was also specified by the Board of Directors.

- |                          |   |                         |
|--------------------------|---|-------------------------|
| 1. Mr. Jay Mehta         | - | Executive Vice Chairman |
| 2. Mr. M. S. Glotra      | - | Managing Director       |
| 3. Mr. Jayant N. Godbole | - | Member                  |
| 4. Mr. Bimal Thakkar     | - | Member                  |

**Terms of Reference:**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- To monitor the CSR Policy of the Company from time to time; and
- Such other Terms of Reference as may be specified from time to time under the Companies Act, 2013, Rules thereunder and Schedule VII of the Act."

## 5. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

The Board of Directors of the Company at its Meeting held on 30.5.2014 approved setting up of the Remuneration Committee as Nomination and Remuneration Committee and also specified the revised Terms of Reference under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Composition**

The Nomination and Remuneration Committee comprises of four directors viz. Mr. S. V. S. Raghavan, Mr. M. N. Rao, Mr. Anil Kaul and Mr. Susheel Kak. Mr. Raghavan is the Chairman of the Remuneration Committee.

During the year under review, two meetings of Nomination & Remuneration Committee were held on 28th May 2013 and 11th February 2014.

Details of Nomination & Remuneration Committee Meetings attended by the Members are given below:

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended.
1.	Mr. S.V.S.Raghavan (Chairman)	2	2
2.	Mr. M.N.Rao (Member)	2	2
3.	Mr. Anil Kaul (Member)	2	2
5.	Mr. Susheel Kak (Member)	2	1

The approved Minutes of the Nomination & Remuneration Committee Meetings are circulated and noted by the Board of Directors at the subsequent Board Meetings.

#### Details of Remuneration of Directors paid for the Financial Year 2013-2014:

##### Executive Directors:

Name	Salary & Allowances (₹ in lacs)	Perquisite (₹ in lacs)	Contribution to PF/ Superannuation (₹ in lacs)	Total (₹ in lacs)
Mr Jay M Mehta, Executive Vice Chairman	73.90	-	14.74	88.64
Mr M.S.Gilotra, Managing Director	108.59	7.84	21.95	138.38

##### Non Executive Directors

The Directors were paid sitting fees of ₹ 20,000/- per meeting for attending the meeting of the Board, Audit Committee, Remuneration Committee, Security Transfer & Shareholders Grievances Committee or any other Committee of the Board attended by them.

Sr. No.	Name of the Directors	No. of Board meeting attended	No. of Committee meetings attended	Total	Amount of Sitting fees paid (₹)
1.	Mr.M.N.Mehta (Chairman)	4	-	4	80,000
2.	Mr. Hemang D.Mehta	4	-	4	80,000
3.	Mr. S.V.S. Raghavan	3	5	8	1,60,000
4.	Mr. M.N.Rao	4	6	10	2,00,000
5.	Mr. B.P. Deshmukh	5	-	5	1,00,000
6.	Mr. K.N. Bhandari	4	-	4	80,000
7.	Mr. Bimal R. Thakkar	5	-	5	1,00,000
8.	Mr. Anil Kaul	5	10	15	3,00,000
9.	Mr. Jayant N. Godbole	5	-	5	1,00,000
10.	Mr. Hemnabh Khatau	3	-	3	60,000
11.	Mr. Susheel Kak	5	4	9	1,80,000
12.	Mr. Denys Firth	2	-	2	40,000
13.	Mr. Alexander Shaik	1	-	1	20,000
14.	Mr. Navin Sambtani (Alternate Director to Mr. Alexander Shaik)	2	-	2	40,000
15.	Mr. Navin Sambtani (Alternate Director to Mr. Denys Firth)	2	-	2	40,000

The Company has not issued any Stock Options to the Directors and Employees during the Financial Year ended 31.3.2014 or in the past.

##### Terms of Reference

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulate of criteria for evaluation of Independent directors and the Board;
3. Devise a policy on Board diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.

## 6. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE (FORMERLY SECURITY TRANSFER AND SHAREHOLDERS GRIEVANCE COMMITTEE)

The Board of Directors of the Company at its meeting held on 30.5.2014 approved setting up of the Security Transfer and Shareholders Grievance Committee as Stakeholders Relationship & Grievances Committee and also specified the revised Terms of Reference under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Composition

The Committee comprises of Mr. Jay M Mehta – Executive Vice Chairman, Mr. M.S.Gilotra – Managing Director, Mr. Anil Kaul – Special Director, BIFR. Mr. V. R. Mohnot, Director (Finance) & Company Secretary is the Compliance Officer.

During the year, the Committee had 4 meetings on 28.05.2013, 07.08.2013, 17.10.2013 and 11.02.2014. Details of the meetings attended by the members are given below:

Sr. No.	Members of Security Transfer and Shareholders Grievance Committee	No.of meetings held	No. of meetings attended
1.	Mr. Jay Mehta (Member)	4	4
2.	Mr. M.S.Gilotra (Member)	4	4
3.	Mr. Anil Kaul (Member)	4	4

The Details of complaints attended by the Company's Registrars during the year was as under:

No. of complaints received	No. of Complaints redressed	No. of complaints pending.
3	3	Nil

The approved minutes of the Security Transfer and Shareholders Grievance Committee is circulated and noted by the Board of Directors at the subsequent Board Meetings.

### Terms of Reference

The Committee shall consider and resolve the grievances of Security holders of the Company as well as specifically look into the redressal of grievances of shareholders, debenture holders and other stakeholders including complaints related to transfer of shares, non receipt of Balance Sheet and non receipt of declared dividends.

## 7. GENERAL BODY MEETINGS:

### (i) Annual General Meetings

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

Financial Year	Date	Time	No. of meetings attended	Dividend declared
2012-13	31.7.2013	10.00 a.m.	Registered Office of the Company	Nil
2011-12	27.6.2012	10.00 a.m.	-do-	Nil
2010-11	28.7.2011	10.00 a.m.	-do-	Nil

No resolutions were put for voting through postal ballot.

### (ii) Extraordinary General Meetings:

No Extraordinary General Meeting was held during the year.

### (iii) Special Resolutions:

Nil.

## 8. DISCLOSURES:

### a) Transactions with Related Party / Material Nature

During the year there were no transactions of material nature with the Promoters, the Directors, Management or the subsidiaries or relatives of the Directors that had potential conflict with the Company. Transactions with related parties are mentioned in Note No. 38 of Notes forming part of financial statements.



**b) Penalties & Strictures**

- (i) There were no instances of non-compliance on any matter related to the capital markets, during the last three years.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

**c) Related Party Transactions**

The details of all transactions with related parties are placed before the Audit Committee and Board.

**d) Disclosure of Accounting Treatment:**

In preparation of Financial Statements, the Company has followed the Accounting Standards as notified under Companies (Accounting Standards) Rules 2006, as applicable.

**e) Disclosure on Risk Management:**

The Company has laid down procedure on the risk assessment and minimization procedures, which is periodically reviewed by the Company.

**f) Code of Conduct;**

The Board has formulated a Model Code of Conduct for the Board Members and Senior Management of the Company. The Board members and senior management personnel have affirmed their compliance with the code and a declaration signed by them was placed before the Board.

**g) CEO/CFO Certification**

A CEO/CFO certificate on the Audited / Unaudited Financial Statements of the Company for each quarter and annual financial results were placed before the Board.

**h) Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace**

The Company has in place, a formal policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 23rd April 2013. Detailed mechanism has been laid down in the policy for reporting of cases of sexual harassment to 'Internal Complaints Committee' comprising senior official of the Company and an independent member from NGO, constituted under this policy for conducting of inquiry into such complaints, recommending suitable action during the pendency and/or completion of the inquiry including strict disciplinary action including termination of the services.

**9. MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These results are published in Jaihind, Rajkot Edition in Gujarat and in Financial Express, Ahmedabad & Mumbai. The Company has not sent the half yearly report to each household of shareholders. The Company has not made any presentation to the Institutional Investors or Analysts. These results are simultaneously posted on the website of the Company at <http://www.mehtagroup.com> and Electronic Data Information Filing and Retrieval website maintained by SEBI.

**10. GENERAL SHAREHOLDERS INFORMATION:**

i)	Audited results for the current Financial Year ended 31st March 2014.	30th May 2014	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2013) Quarter II (ending 30.9.2013) Quarter III (ending 31.12.2013) Quarter IV (ending 31.3.2014)	Within the period as stipulated under the Listing Agreement with the Stock Exchange from time to time.
iii)	Annual General Meeting is proposed to be held	Friday the 19th September 2014	
iv)	Date of Book closure	Friday the 12th September 2014 to Friday the 19th September 2014 (both days inclusive)	

**v) Listing of Equity Shares on Stock Exchange at:**

Sr. No.	Name(s) of the Stock Exchange	Stock Code
a)	The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	502175 Demat ISIN No. INE 626A01014

**vi) Listing Fees:**

The Company has paid Listing Fees for the Financial Year 2014-2015 to the Bombay Stock Exchange Ltd., (BSE) where the Company's shares are listed. The Company has paid Annual Custody fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts as on March 31, 2014.

**vii) Registrar & Share Transfer Agent:**

The Company has appointed M/s. Link Intime India Pvt Ltd as Registrar and Transfer Agent for transfer of securities held in physical form. The Registrar also accepts and attends to complaints of security holders. Their complaints are given top priority by them and are replied promptly.

No complaint received from the Shareholders / Investors as on 31.3.2014 is pending relating to transfer of security.

**viii) Share Transfer System**

The share transfer in physical form are processed by the Registrars and Transfer Agents and the share certificates returned within a period of 15 to 20 days from the date of receipt provided that the documents are found to be in order.

The shares held in demat form are transferred electronically through the depositories, i.e. CDSL & NSDL.

**ix) Distribution of Shareholding as on 31.3.2014 :**

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	7011	89.38	766220	1.50
501 – 1000	334	4.26	278560	0.54
1001 – 2000	177	2.26	266910	0.52
2001 – 3000	66	0.84	170891	0.33
3001 – 4000	51	0.65	180978	0.35
4001 - 5000	42	0.53	197023	0.39
5001 - 10000	57	0.73	417103	0.82
10001 - above	106	1.35	48913380	95.55
<b>TOTAL</b>	<b>7844</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**x) Shareholders Profile as on 31.3. 2014:**

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	10	0.13	32759283	63.99
Bodies Corporate	147	1.87	2015917	3.94
NRIs	405	5.16	361478	0.71
FII's	4	0.05	1810	-
Financial Institutions	11	0.14	1126011	2.20
Banks	7	0.09	550937	1.08
Mutual Fund	1	0.01	100	-
Foreign Companies	2	0.03	9920000	19.38
Overseas Corporate Bodies	1	0.01	109100	0.21
Indian Public	7256	92.51	4346429	8.49
<b>Total</b>	<b>7844</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**xi) Dematerialization of shares:**

As on 31st March, 2014, 4,99,38,225 equity shares constituting 97.60% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

**xii) Stock Market price data for the period 2013-2014:**

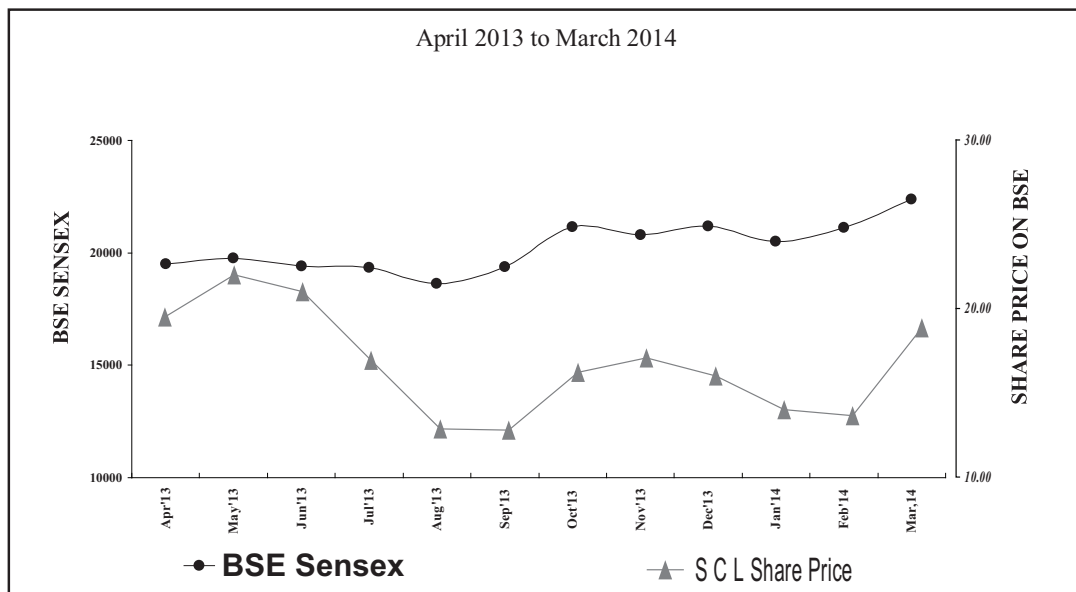
The High, Low and Closing prices of the Company's share of the face value of ₹ 10/- each on Bombay Stock Exchange, Mumbai from April 2013 to March 2014 are as under:-

In rupees

Month	High	Low	Closing
April 2013	24.25	18.70	19.30
May 2013	23.30	19.25	22.00
June 2013	23.40	16.30	21.00
July 2013	21.90	15.65	16.95
August 2013	16.50	12.50	12.85
September 2013	14.19	11.85	12.80
October 2013	21.35	13.12	16.23
November 2013	18.85	15.25	17.05
December 2013	17.85	15.00	16.00
January 2014	18.40	13.50	14.00
February 2014	15.00	13.22	13.63
March 2014	18.61	12.40	18.58

**xiii) Stock Performance (Indexed)**

The performance of the Company's shares relating to Bombay Stock Exchange SENSEX is given in the chart below: -



**Plant Location:**

Near Railway Station, Ranavav, Gujarat 360 560.

**xiv) Address for correspondence :**

1. Registered Office  
Near Railway Station, Ranavav – 360 560, Dist: Porbandar, Gujarat.
2. Corporate Office :  
Share Department  
2nd Floor, N.K. Mehta International House, 178 Backbay Reclamation, Mumbai - 400 020.  
Email id: scl-mum@mehtagroup.com

Shareholder correspondence should be addressed to Registrars & Transfer Agent:  
M/s. Link Intime India Pvt Ltd  
(Unit: Saurashtra Cement Limited)  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.  
Tel. 022- 25963838, Fax : 022-25946969  
Contact Person : Mr. Sharad Patkar.

A separate email id: sclinvestorquery@mehtagroup.com has been created specifically for investor query / complaints.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank Account / Bank nomination etc.

**11. NON MANDATORY REQUIREMENTS :**

**(a) Chairman's Office :**

The Corporate Office of the Company supports the Chairman in discharging the responsibilities.

**(b) Shareholders Rights**

As the Company's quarterly results are published in English Newspaper having circulation all over India and in a Gujarati Newspaper widely circulated in Gujarat, the same are not sent to each Shareholder.

**(c) Training of Board Members :**

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavour to keep themselves abreast with changes in global economy and various legislations. They attend seminars / orientation courses to keep themselves updated with the changes in business environment.

**(d) Mechanism for evaluating non-executive Board Members:**

The Company does not have a mechanism to evaluate the performance of the Non-Executive Directors of the Company.

**(e) Vigil Mechanism Policy**

The Company at its Board Meeting held on 30.5.2014 has adopted Vigil Mechanism Policy for its Directors and Employees.

**(f) Code for Prohibition of Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code for Prevention of Insider Trading". Mr. V. R. Mohnot, Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated employees.

On behalf of the Board of Directors

Place : Mumbai,

**M.S.Gilotra**

**Jay Mehta**

Dated : May 30, 2014

**Managing Director**

**Executive Vice Chairman**

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2014.

On behalf of the Board of Directors

Place : Mumbai,

**M.S.Gilotra**

**Jay Mehta**

Dated : May 30, 2014

**Managing Director**

**Executive Vice Chairman**

## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of Saurashtra Cement Limited

We have examined the compliance of the conditions of Corporate Governance by SAURASHTRA CEMENT LIMITED ("the Company") for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with The Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no Investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

**PARESH H. CLERK**

Partner

Membership No. 36148

Place: MUMBAI

Date: MAY 30, 2014

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Development**

The all India cement production during the period April 2013 to March 2014 registered a cumulative growth of around 3 percent as against around 6 percent during the corresponding period of last year. The cumulative growth for the eight core industries (coal, crude oil, natural gas, refinery products, fertilisers, steel cement & electricity) remained same as previous year, at around 3 percent. The increase in capacity in Gujarat and Rajasthan during the last two years is around 22 percent. The surplus capacity available in these two states, coupled with lower exports resulted in tough competition and is putting pressure on the sustained profitability of cement companies in Gujarat. With the entry of new players in the already fragmented markets, high price volatility and variations in prices is experienced in different regions and different periods of time.

### **Future Outlook**

With the stable political scenario and the sustained development strategies the need of infrastructure facilities and the housing needs of the population will enhance the consumption of cement further in the country. The long-term future of the cement industry is optimistic and positive. However, due to addition of new plants with large capacities, the capacity utilization would continue to be low. In the state of Gujarat, there is likely to be a large surplus of capacity over demand for the near future, which may affect the stability of cement prices. A large part of production therefore will need to be exported or transported to longer distances, in other states like Maharashtra, Karnataka and Kerala.

### **Opportunities & Threats**

The decline in cement consumption in the state of Gujarat is likely to be reversed and is expected to give opportunities for growth in the cement industry.

Substantial increase in the prices of diesel and other petroleum products has adversely affected the raw material cost and cost of delivery. The rail freight continued to be high and the transportation by rail remains uneconomical. The infrastructural constraints and high cost of handling of cement at public ports and railway sidings continue to put pressure on the cost of delivery of cement.

Although, Gujarat state is likely to continue to be surplus in cement production, the Company can access coastal markets economically being close to the sea.

### **Segment Review and Analysis**

During the year, the Company has produced and sold mainly cement of different varieties like Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC). The Company also sold clinker, which is intermediate product for the manufacture of cement. The bulk of the revenue and profitability comes from the sale of cement.

### **Risks and Concerns**

Over capacity of cement versus the demand coupled with slow down in the export of cement is leading to tough market conditions and high levels of volatility in the profitability of cement business. The cost escalation of inputs like diesel, fuel, power etc. and the high rates of government levies (excise, sales tax, octroi, local body tax and other miscellaneous levies) continue to be a major concern for our company.

### **Internal Control systems and their adequacy**

Your Company has adequate systems of internal controls commensurate with the size and nature of its operations. The internal audit team continuously monitors the effectiveness of internal control systems. The Management periodically reviews the Reports of the Internal Auditor highlighting suggested improvements, cost control measures and need of policy modification and assuring its adherence. The Audit Committee reviews the financial results, adequacy of disclosures and adherence of accounting principles. The corrective steps and suggestions of the Audit Committee are implemented and the Internal Auditor reviews the same and reports of any deviations and other recommendations to formulate management policies, risk management procedures.

### **Human Resource Development / Industrial Relations**

Your Company believes that its Human Resource is the most important resource and continues to work for its development. Your Company continues to invest in upgrading the knowledge and skills of the employees. Your Company is providing growth opportunities to internal talent by assigning them with higher responsibilities along with suitable exposure.

In view of people development as a key focus, it continues to take new initiatives to further align its HR policies to meet the growing needs of its business.

We have embarked upon employee engagement as a tool to create conducive working environment that will facilitate employee commitment.

**The Industrial relations at the plant were cordial.**

The Management places on record the contribution of employees at all levels during the year and their whole-hearted co-operation, which has resulted in improved results.

**Corporate Social Responsibility**

**Health Care**

Our factory has a health care center providing medical aid to the Company's employees and the family members, workers as well as patients from the near by areas. The Company conducts various Immunization programmes, family welfare education, health care, safety as well as various periodical health check up and first aid training programmes for employees and workers.

**Education**

The Company has a full-fledged primary school for the children of the employees and local people staying in nearby areas. In order to enable the children studying in English medium schools or Colleges in Porbandar, the company provides school bus facility.

**Afforestation**

The Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant and nearby areas. Many saplings were planted at various places in the plant and mines area. The plant has also carried out rain water harvesting and this has increased ground water resources besides providing greenery.

**Cautionary Statement**

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. The Statements are based on certain assumptions and expectation of future events. Actual results could however differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply position, raw material, fuel, transport cost and availability, changes in Government regulations and tax structure, economic development in India.

The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

On behalf of the Board of Directors

Place : Mumbai,  
Dated : May 30, 2014

**M.S.Gilotra**  
Managing Director

**Jay Mehta**  
Executive Vice Chairman

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAURASHTRA CEMENT LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SAURASHTRA CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the 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**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the 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, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have 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 and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. On the basis of the written representations received from the directors of the Company as on March 31, 2014, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

Place : MUMBAI  
Date : MAY 30, 2014

**PARESH H. CLERK**  
Partner  
Membership No. 36148



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of SAURASHTRA CEMENT LIMITED on the financial statements for the year ended March 31, 2014.]**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we report that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of most of the fixed assets.
- (b) As explained to us, during the year, most of the fixed assets have been physically verified by the management so as to cover all the fixed assets on a rotation basis, the frequency of which, in our opinion, is reasonable. No material discrepancies have been noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii. (a) Inventories other than stocks-in-transit have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks-in-transit at the year end, the necessary documentary evidences have been obtained.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate, in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of its inventories and the discrepancies noticed on physical verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- iii. (a) As per the information furnished, in earlier years, the Company had granted interest-free unsecured deposit to one of its subsidiary companies. The maximum amount outstanding during the year and year-end balance from the said subsidiary company is ₹ 34.40 lacs. The Company has not granted any other loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) As regards interest-free deposit to the subsidiary company, no other terms and conditions, including repayment thereof have been stipulated and hence, the question of making any comment for the regularity of the receipt of the principal or the recovery of overdue amounts does not arise. Considering the amount involved and the fact that it is given to a subsidiary, the same is not, prima facie, prejudicial to the interest of the Company.
- (c) As the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, Clause (iii) (e) of the Order requiring the Company to give the number of parties and amount involved in the transactions, Clause (iii) (f) of the Order requiring to comment upon whether the rate of interest and other terms and conditions of loans taken being prima facie prejudicial to the interest of the Company and Clause (iii) (g) requiring to comment upon the regularity of payment of the principal amount and interest, are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- v. (a) According to the information and explanations given to us and the records examined by us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into a register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there have been no transaction made in pursuance of such contracts or arrangements entered into the register made under Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year, other than interest – free deposit referred to in Paragraphs iii (a) and iii (b) above.
- vi. As legally advised, the Company considers security deposits received from stockists and transporters as security for proper fulfillment of the contracts and advances received from customers as falling outside the purview of Section 58A of the Act. Subject to the above, in our opinion and according to the information and explanations given to us, as the Company has not accepted any deposit from the public, the question of complying with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, does not arise. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Fund, Investor Education and Protection Fund, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, except for delay in one month of some cases of Service Tax. As per the information and explanations given to us, as also on the basis of the books and records examined by us, there are no arrears of undisputed statutory dues outstanding as at the last day of the financial year, for a period of more than six months from the date they become payable. As informed to us, the provisions of the Employees' State Insurance Act are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of the books and records examined by us, no amount of the Income-tax, Wealth-tax and Cess is under dispute. In respect of Value Added Tax, Customs Duty, Excise Duty and Service Tax, which have not been deposited as on March 31, 2014 on account of disputes and the forum where the dispute is pending, are given below:

Nature of Dues - Name of the Statute	Amount (₹ lacs)	Period to which amount relates	Forum where dispute is pending
Value Added Tax – Gujarat Value Added Tax Act, 2003			
Value Added Tax (VAT) *	374.10	2007-2010	Joint Commissioner of Sales Tax
Interest on VAT	440.14		
Penalty on VAT	435.67		
* Against this a deposit of ₹ 223 lacs have been kept with Gujarat State Financial Services Limited			
Custom Duty – Customs Act, 1962			
Duty and interest	3.25	2009-2011	Commissioner of Customs (Appeals)
Duty and penalty	266.64	2011-2012	
Excise Duty – Central Excise Act, 1944			
Duty	122.66	2001-2002	CESTAT
Duty, interest and penalty	174.05	2007-2008	Honourable High Court of Gujarat
Service Tax – Central Excise Act, 1944			
Tax and penalty	58.50	1997-1998	CESTAT
Tax and penalty	2.39	2006-2007	CESTAT
Tax and penalty	44.11	2006-2011	CESTAT

- x. The accumulated losses of the Company as on March 31, 2014 are less than fifty per cent of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions, bankers or debenture holders.
- xii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund or nidhi / mutual benefit fund / society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of proper records of the transactions and contracts and making of timely entries therein are not applicable. All the investments are held by the Company in its own name.
- xv. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 4 (xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, as also on the basis of the books and records examined by us, in our opinion, on an overall basis, the new term loans obtained during the year by the Company were, prima facie, applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us, and also on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii. As the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year, Clause 4 (xviii) is not applicable.
- xix. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the security or charge in respect of debentures issued during an earlier year has been created.
- xx. As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148

Place : MUMBAI  
Date : MAY 30, 2014

## BALANCE SHEET AS AT MARCH 31, 2014

	Note	March 31, 2014 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	11,249.37		9,202.58
			17,056.39	15,009.60
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	3,781.27		11,446.48
Other Long-term Liabilities	5	711.60		693.72
Long-term Provisions	6	807.07		807.67
			5,299.94	12,947.87
<b>Current Liabilities</b>				
Short-term Borrowings	7	574.52		573.22
Trade Payables	8	3,469.63		3,579.55
Other Current Liabilities	9	14,529.43		11,257.05
Short-term Provisions	10	365.32		251.73
			18,938.90	15,661.55
		<b>TOTAL</b>	<b>41,295.23</b>	<b>43,619.02</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed Assets	11			
Tangible Assets		18,731.69		20,625.74
Intangible Assets		133.40		33.14
Tangible Capital Work-in-progress		5,909.51		6,358.10
Intangible Assets under Development		Nil		69.75
		24,774.60		27,086.73
Non-current Investments	12	1,880.19		1,880.19
Deferred Tax Assets (net)	13	Nil		Nil
Long-term Loans and Advances	14	1,209.39		1,390.10
Other Non-current Assets	15	318.78		480.41
			28,182.96	30,837.43
<b>Current Assets</b>				
Inventories	16	5,674.36		6,666.42
Trade Receivables	17	1,611.48		1,393.46
Cash and Bank Balances	18	4,046.94		3,411.50
Short-term Loans and Advances	19	1,413.72		999.97
Other Current Assets	20	365.77		310.24
			13,112.27	12,781.59
		<b>TOTAL</b>	<b>41,295.23</b>	<b>43,619.02</b>

### Significant Accounting Policies and Notes form an integral part of the Financial Statements 1 - 42

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**

Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

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

<b>M. N. Mehta</b>	Chairman
<b>Jay M. Mehta</b>	Executive Vice Chairman
<b>M. N. Rao</b>	Director
<b>M. S. Gilotra</b>	Managing Director
<b>V. R. Mohnot</b>	Director (Finance) & Company Secretary

Mumbai, Dated May 30, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Note	March 31, 2014 ₹ in lacs	March 31, 2013 ₹ in lacs
Revenue from Operations (Gross)	21	58,544.71	59,715.65
Less: Excise Duty		5,408.47	5,924.55
Revenue from Operations (Net)		53,136.24	53,791.10
Other Income	22	460.70	982.84
<b>Total Revenue</b>		<b>53,596.94</b>	<b>54,773.94</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	3,685.35	3,495.64
Purchases of Stock-in-trade	24	3,983.82	2,939.66
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25	307.79	(0.71)
Employee Benefits Expense	26	3,003.32	2,824.27
Finance Costs	27	1,636.97	3,338.27
Depreciation, Amortisation and Impairment		2,604.48	3,494.92
Less: Amount Withdrawn from Revaluation Reserve		18.27	55.32
		2,586.21	3,439.60
Other Expenses	28	36,328.42	33,243.89
<b>Total Expenses</b>		<b>51,531.88</b>	<b>49,280.62</b>
<b>Profit before Exceptional Items and Tax</b>		<b>2,065.06</b>	<b>5,493.32</b>
Exceptional items - Gain	29	Nil	16,115.29
<b>Profit before Tax</b>		<b>2,065.06</b>	<b>21,608.61</b>
<b>Tax Expense</b>	30		
Current Tax - MAT		538.07	Nil
Less: MAT Credit Entitlement (Refer Note 30)		538.07	Nil
		Nil	Nil
Deferred Tax (Refer Note 13)		Nil	3,204.68
		Nil	3,204.68
<b>Profit for the year</b>		<b>2,065.06</b>	<b>18,403.93</b>
<b>Earnings per equity share of ₹ 10 par value per share</b>			
Basic and diluted (₹ per share)	40	3.86	35.78
<b>Significant Accounting Policies and Notes form an integral part of the Financial Statements</b>	1 - 42		

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

### For and on Behalf of the Board of Directors

<b>M. N. Mehta</b>	Chairman
<b>Jay M. Mehta</b>	Executive Vice Chairman
<b>M. N. Rao</b>	Director
<b>M. S. Gilotra</b>	Managing Director
<b>V. R. Mohnot</b>	Director (Finance) & Company Secretary

Mumbai, Dated May 30, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before tax</b>		<b>2,065.06</b>	21,608.61
Adjustments for :			
Add: Finance Costs	<b>1,636.97</b>		3,338.27
Hire Purchase Rentals	<b>24.08</b>		2.23
Loss on Sale of Assets / Capital WIP Written Off	<b>421.89</b>		Nil
Provision for Doubtful debts	<b>14.49</b>		11.06
Depreciation, Amortisation and Impairment	<b>2,586.21</b>		3,439.60
		<b>4,683.64</b>	6,791.16
Less: Profit on Sale of Assets	<b>Nil</b>		20.19
Interest Income	<b>286.19</b>		370.79
Dividends Received	<b>0.04</b>		0.26
Excess Provision and Sundry Creditors Written Back	<b>110.21</b>		290.20
Doubtful Debts Written Back	<b>6.28</b>		0.58
Exceptional Gain	<b>Nil</b>		16,115.29
		<b>(402.72)</b>	(16,797.31)
<b>Operating profit before working capital changes</b>		<b>6,345.98</b>	11,602.46
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	<b>(67.96)</b>		(381.74)
Trade Payables and Other Current Liabilities	<b>649.96</b>		2,501.06
Long-term Loans and Advances and Other Non-current Assets	<b>386.80</b>		(275.27)
Inventories	<b>992.06</b>		(1,220.13)
Trade Receivables and Short-term Loans and Advances	<b>830.81</b>		857.07
Other Current Assets	<b>(226.02)</b>		(18.46)
		<b>2,565.65</b>	1,462.53
<b>Cash generated from operations</b>		<b>8,911.63</b>	13,064.99
Add: Direct Taxes (Payments) / Refunds		<b>(588.50)</b>	(8.46)
<b>Net cash flow from operating activities</b>		<b>8,323.13</b>	13,056.53

# 56th Annual Report

	March 31, 2014 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets / Capital Work-in-progress	(815.19)		(1,072.95)
Sale of Fixed Assets	115.23		126.75
Interest Income	456.68		2,828.72
Dividends Received	0.04		0.26
<b>Net cash flow from / (used in) investing activities</b>		<b>(243.24)</b>	<b>1,882.78</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	11.54		33.86
Repayment of Long-term Borrowings	(5,862.87)		(10,292.45)
Dues (From) / To Subsidiaries	(8.31)		(29.23)
Short-term Borrowings	1.29		32.27
Deposits held as Margin Money	(760.80)		(1,185.01)
Repayment of Hire Purchase Liabilities	(24.08)		(19.97)
Finance Costs Paid	(1,562.02)		(2,015.99)
<b>Net cash flow used in financing activities</b>		<b>(8,205.25)</b>	<b>(13,476.52)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(125.36)</b>	<b>1,462.79</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>2,072.84</b>	<b>610.05</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		<b>1,947.48</b>	<b>2,072.84</b>

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued under the Companies (Accounting Standard) Rules, 2006.

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

**For and on Behalf of the Board of Directors**  
**M. N. Mehta** *Chairman*  
**Jay M. Mehta** *Executive Vice Chairman*  
**M. N. Rao** *Director*  
**M. S. Gilotra** *Managing Director*  
**V. R. Mohnot** *Director (Finance) & Company Secretary*

Mumbai, Dated May 30, 2014

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

The financial statements are prepared in accordance with the generally accepted accounting principles under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at Ranavav) on accrual basis under the going concern assumption. These financial statements have been prepared to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 as the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs)], and the relevant provisions of the 1956 Act/2013 Act, as applicable.

#### 1.2 Use of Estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, the reported amounts of assets and liabilities and the disclosures of contingent liabilities as on the date of the financial statements. Examples of such estimates include useful lives of fixed tangible assets and intangible assets, provision for doubtful debts/ advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

#### 1.3 Tangible Assets, Intangible Assets and Capital work-in-progress :

- i. Tangible Assets are stated at cost and includes amounts added on revaluation, less accumulated depreciation and impairment, if any. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
- ii. 'Cost' for the purpose of valuing fixed assets and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).
- iii. Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on its completion for satisfactory commercial commencement.
- iv. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their book value and net realisable value and are shown separately under Other Current Assets. Any expected loss is recognised immediately in the Statement of Profit and Loss.

#### 1.4 Depreciation / Amortisation :

- i. Depreciation on all assets (other then specifically mentioned herein below) is provided on the "Straight Line Method" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on revalued assets are calculated on net replacement value ascertained as at June 30, 1993.
- iii. The cost of Jetty is amortised over the period of right to use of 15 years. Addition thereto, is amortised over the residual years of its right to use.
- iv. Intangible assets being computer softwares are amortised over a period of 3 years.
- v. Depreciation provided on the revalued assets as reduced by that of on the original cost of the assets is transferred to the Statement of Profit and Loss from Revaluation Reserve, to the extent of availability of the Reserve.
- vi. Premium on leasehold land of long lease duration is not amortised, being not material.



### **1.5 Assets Acquired On Lease / Hire Purchase :**

- i. Assets acquired under leases / hire purchase where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease / hire purchase rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- ii. Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

### **1.6 Impairment of Assets :**

- i. As on each Balance Sheet date, if internal / external indicators suggest that an asset may be impaired, the carrying amount of the asset is tested for impairment so as to determine, the provision for impairment loss required, if any.
- ii. The impairment loss is recognised when the carrying amount of an asset / cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount is determined as the higher of its net selling price (net of material disposal expenses) and the value in use. Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/CGU as stated above and from its disposal at the end of its useful life.
- iii. If there is change in the indication, since the last impairment was recognised, so that the recoverable amount of an asset exceeds its carrying amount, an impairment recognised for an asset in prior accounting period is reversed.

### **1.7 Investments :**

Investments those are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments, being current investments, are valued at cost or fair value whichever is lower, determined on an individual basis.

### **1.8 Inventories :**

- i. Raw materials, Packing materials and Fuels - 'At cost', derived on moving weighted average basis, or net realisable value, whichever is lower.
- ii. Work-in-process - 'At cost' or net realisable value, whichever is lower. Cost includes all direct costs and other related factory overheads.
- iii. Finished Goods - 'At cost' or net realisable value, whichever is lower. Cost includes all direct cost, other related factory overheads and excise duty. Traded goods are valued at cost or net realisable value, whichever is lower.
- iv. Stores and spares - 'At cost' on moving weighted average basis.

### **1.9 Accounting of Cenvat / VAT Benefits :**

Cenvat / VAT credit availed under the relevant provisions in respect of Raw materials, Packing materials, Fuels, Stores and spares, capital goods, etc. is reduced from the relevant cost of purchases.

### **1.10 Revenue Recognition :**

- i. Sales are accounted on dispatch of goods to customers. Sales figures are inclusive of excise duty, but are net of sales tax, value added tax, sales returns and adjustment in respect of discounts, rate difference, etc.



- ii. Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- iii. Export incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.
- iv. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- v. Dividend income is recognised based on establishment of the right to receive such income.

#### **1.11 Foreign Currency Transactions :**

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of the Balance Sheet.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

#### **1.12 Employee Benefits :**

- i. Defined contribution plan: The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the year in which the employees renders the related service.
- ii. Defined benefit plan - Gratuity : In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent Actuary. Actuarial gain or loss is recognised immediately in the Statement of Profit and Loss as Income or Expense. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").
- iii. Compensated Absences : As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for Compensated absences in the year in which the employees renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent Actuarial valuation.

#### **1.13 Borrowing Costs :**

- i. Borrowing costs that are attributable to the acquisition / construction of qualifying assets, are capitalised, net of income / income earned on temporary investments from such borrowings. Other borrowing costs are charged to the Statement of Profit and Loss as expense in the year in which the same are incurred.
- ii. Redemption Premium payable on borrowings are included as part of borrowing costs on a periodic cost basis.

#### **1.14 Segment Reporting Policies:**

- i. Primary Segment is identified based on the nature of products, the different risks and returns and the internal business reporting system. Secondary Segment is identified based on the geographical location of its customers.
- ii. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **1.15 Taxation :**

- i. Tax on income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax during the period specified to avail the MAT credit under the Income-tax Act, 1961, and the resultant asset can be measured reliably.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.
- iv. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

#### **1.16 Provisions, Contingent Liabilities and Contingent Assets :**

- i. Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company, has a present obligation as a result of a past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.
- ii. Reimbursement expected in respect of the expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
- iii. Contingent liability is stated in the case of a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation, a possible obligation, unless the probability of outflow of resources is remote.
- iv. Contingent assets are neither recognised, nor disclosed.
- v. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

	As at March 31, 2014		As at March 31, 2013	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares, of ₹ 10 par value	130,000,000	13,000.00	130,000,000	13,000.00
Preference Shares, of ₹ 100 par value	6,000,000	6,000.00	6,000,000	6,000.00
Unclassified Shares, of ₹ 10 par value	5,000,000	500.00	5,000,000	500.00
		<u>19,500.00</u>		<u>19,500.00</u>
<b>Issued</b>				
Equity Shares, of ₹ 10 par value	59,095,018	5,909.50	59,095,018	5,909.50
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	687,595	687.60	687,595	687.60
		<u>6,597.10</u>		<u>6,597.10</u>
<b>Subscribed and Paid Up</b>				
Equity shares, of ₹ 10 par value	51,191,065	5,119.11	51,191,065	5,119.11
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	687,595	687.60	687,595	687.60
		<u>5,806.71</u>		<u>5,806.71</u>
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)		<u>5,807.02</u>		<u>5,807.02</u>

## 2.1 RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL

	As at March 31, 2014		As at March 31, 2013	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>a. Equity Shares, of ₹ 10 par value</b>				
At the beginning	51,191,065	5,119.11	51,191,065	5,119.11
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>51,191,065</u>	<u>5,119.11</u>	<u>51,191,065</u>	<u>5,119.11</u>
<b>b. Preference Shares, of ₹ 100 par value</b>				
At the beginning	687,595	687.60	687,595	687.60
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>687,595</u>	<u>687.60</u>	<u>687,595</u>	<u>687.60</u>

## 2.2 RIGHTS, PREFERENCES AND RESTRICTIONS

### a. Equity Shares

- i. The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, in view of the carried forward losses, no dividend is / was declared on the equity shares for the year ended March 31, 2014 / March 31, 2013.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### b. Preference Shares :

- i. The Company has only one class of preference shares referred to as 13% Optionally Convertible Cumulative Preference Shares (OCCPS) having a par value of ₹100. The preference shares do not carry any voting right. In terms of Section 87 of the Companies Act, 1956, the holders of cumulative preference shares get entitled to vote on every resolution placed by the Company at any meeting, if the dividend due on such shares or any part thereof has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.
- ii. OCCPS carried a fixed cumulative dividend of 13% p.a. from the date of issue. The holders of OCCPS carry a right to dividend ahead of equity share holders.
- iii. In the event of liquidation, the holders of OCCPS carry preference over equity shareholders in respect of repayment of capital.
- iv. OCCPS were redeemable at par on March 31, 2003. Of the total Preference Share Capital of ₹ 687.60 lacs, the holders of 1,74,557 OCCPS of ₹ 100 par value, aggregating to ₹ 174.56 lacs, have surrendered their right in the redemption, including the preference dividend thereon for the benefit of the Company. Based on the advise received, pending the availability of funds / distributable profits for the redemption of capital, the beneficial ownership of these OCCPS has already been transferred in favour of a trust of which the Company is the beneficiary. The accounting effect of such waiver (only in respect of these OCCPS) shall be made as and when such shares will be redeemed. For the balance of OCCPS, the right of conversion lapsed on August 22, 2003.

## 2.3 DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

	As at March 31, 2014		As at March 31, 2013	
	Numbers	%	Numbers	%
<b>a. Equity Shares</b>				
Clarence Investments Limited	12,886,599	25.17%	12,886,599	25.17%
Jagmi Investments Limited	5,175,000	10.11%	5,175,000	10.11%
Mauritius Debt Management Limited	7,450,000	14.55%	7,450,000	14.55%
Sampson Limited	4,000,000	7.81%	4,000,000	7.81%
TransAsia Investments And Trading Limited	8,000,000	15.63%	8,000,000	15.63%
<b>b. Preference Shares</b>				
India Debt Management Private Limited	512,398	74.52%	512,398	74.52%
A.M.Fadia - Trustee of SCL Preference Shares Trust [Refer Note 2 (b) (iv) above]	174,557	25.39%	174,557	25.39%

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs      ₹ in lacs

### 3 RESERVES AND SURPLUS

<b>Capital Reserve</b> - As per last Balance Sheet	<b>2,607.96</b>	2,607.96
<b>Capital Redemption Reserve</b> - As per last Balance Sheet	<b>50.00</b>	50.00
<b>Securities Premium Account</b> - As per last Balance Sheet	<b>10,566.71</b>	10,566.71
<b>Debenture Redemption Reserve</b> - As per last Balance Sheet	<b>2,060.00</b>	2,060.00
<b>Revaluation Reserve</b>		
As at the beginning of the year	<b>275.24</b>	330.56
Less: Transferred to the Statement of Profit and Loss for Depreciation	<b>18.27</b>	55.32
As at the end of the year	<b>256.97</b>	275.24
<b>General Reserve</b> - As per last Balance Sheet	<b>4,377.97</b>	4,377.97
<b>Surplus / (Deficit)</b>		
<b>Debit balance in the Statement of Profit and Loss</b>		
As at the beginning of the year	<b>10,735.30</b>	29,139.23
Less: Transferred from the Statement of Profit and Loss	<b>2,065.06</b>	18,403.93
As at the end of the year	<b>(8,670.24)</b>	(10,735.30)
	<b>11,249.37</b>	9,202.58

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs      ₹ in lacs

### 4 LONG-TERM BORROWINGS

Secured

#### Debentures

12% Non-convertible Debentures - Under Corporate Debt Restructuring (CDR)

Numbers	Particulars	Face Value ₹ per Debenture			
		Current	Previous		
<b>1,785,286</b>	12% Public	25.00	45.00		
<b>980,246</b>	12% Public	25.00	45.00		
<b>259,150</b>	12% Public	50.00	90.00		
<b>148,905</b>	12% Public	50.00	90.00		
<b>900,000</b>	12% Private	25.00	45.00	<b>224.08</b>	1,120.41
<b>Term Loans</b>					
	From Banks			<b>331.93</b>	1,736.52
	From Others			<b>3,225.26</b>	8,589.55
				<b>3,557.19</b>	10,326.07
				<b>3,781.27</b>	11,446.48

#### 4.1 NOTES:

- A. The above reflect non-current portion only of the related borrowings and for the current maturity thereof refer Note 9 on "Other Current Liabilities".

**B. Security and Repayment Terms:**

	As at March 31, 2014		As at March 31, 2013	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
<b>I. Breakup of borrowings:</b>				
a. Public Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	179.08	716.33	1,987.78	968.41
b. Private Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	45.00	180.00	225.00	180.00
c. Term Loans from Banks - Under CDR	331.93	1,227.59	1,722.52	779.19
d. Term Loans from Banks - Others	Nil	14.00	14.00	41.08
e. Term Loans from Others-Financial Institutions Under CDR (including Funded interest term loans on Debentures)	250.27	873.84	924.85	382.62
f. Term Loans from Others - Under CDR (including Funded interest term loans on Debentures)	554.21	1,947.09	1,599.87	794.88
g. Term Loans from Others - Vehicle	11.83	11.62	23.45	10.41
h. Term Loans from Others - Others	2,408.95	2,540.06	4,949.01	2,540.06
	<u>3,781.27</u>	<u>7,510.53</u>	<u>11,446.48</u>	<u>5,696.65</u>

**II. Security:**

- Borrowings at part I (a) above is secured by way of pari-passu second mortgage in favour of the Trustees on the Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific and first charge holders. The said debentures are also secured by personal guarantee of two Directors of the Company.
- Borrowings at part I (b), (c), (e), (f) and (h) above are secured by way of pari-passu first mortgage in favour of the Trustees / lenders on the Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on stocks, spares and book debts for securing borrowings for working capital (on which they have a second charge) and on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific charge holders. These borrowings [except I (h)] are also secured by personal guarantee of two Directors of the Company.
- Borrowings at part I (d) and (g) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed there under.
- All the aforementioned borrowings except part I (d) and (g) are further secured by hypothecation of 'Hathi' brand on pari-passu first charge basis and pledge of promoter shares in favour of the Trustees.

**III. Repayment Terms:**

- For Part I (a), (b), (c), (e) and (f), interest is payable by the Company on ballooning basis ranging from 2% p.a. to 12% p.a. resulting into an average rate of interest of 8.5% p.a. For the current year, such interest is payable and provided at 12% p.a. The first year interest @ 2% has been funded as Funded Interest Term Loan (FITL-II). The repayment of outstanding principal is to be made over a period of 10 years including the initial moratorium of first three years. (i.e. payable from July 14, 2007 till April 14, 2015 on the 14th date after the end of each calendar quarter on ballooning basis ranging from 7.50% to 20% p.a.). 50% of the unpaid simple interest on all the loans was converted into FITL-I. Both, FITL I and II, do not carry interest and are repayable 25% in the 9th and 75% in the 10th year (i.e. payable from July 14, 2013 till April 14, 2015).

- b. The amount outstanding as at March 31, 2012, in respect of Part I (h) is repayable in 12 quarterly instalments of 5% each, commencing from June 30, 2012 and 4 quarterly instalments of 10% each, commencing from June 30, 2015.
- c. For Part I (a), (b), (c), (e) and (f);
- The Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
  - The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
  - In the event of default in compliance of restructuring package, after the approval of CDR, the lenders have a right to convert 100% of the defaulted amount of the restructured debt into Equity Shares of the Company, at any time during the currency of assistance, at a price to be determined as per SEBI Guidelines.
  - The lenders have the right to convert 20% of the loan outstanding (including FITL and WCTL) into Equity Shares of the Company, at a price to be determined as per SEBI Guidelines in one or more occasions after 7 years from the date of approval. As regards zero coupon FITL, remaining outstanding beyond 7 years, such conversion right of lenders would be applicable to the entire amount and the conversion shall be at a price as per SEBI GUIDELINES.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>5 Other Long-term Liabilities</b>		
Security Deposits from Customers / Transporters	711.60	693.72
	<u>711.60</u>	<u>693.72</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>6 Long-term Provisions</b>		
For Employee Benefits - Gratuity and Compensated absences	807.07	807.67
(Refer Note 36)	<u>807.07</u>	<u>807.67</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>7 Short-term Borrowings</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	134.83	132.48
Others	439.69	440.74
	<u>574.52</u>	<u>573.22</u>

#### 7.1 Security:

The Working capital facilities are secured by first charge by way of hypothecation of current assets, namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both, present and future. It is also secured by second mortgage and charge on the Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Company. Of the above, a cash credit facility from a bank aggregating to ₹ 0.82 lacs (Previous Year ₹ 11.39 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.

As at  
March 31, 2014      As at  
March 31, 2013  
₹ in lacs      ₹ in lacs

## 8 Trade Payables

Amounts Payable to a Related Party	149.10	29.92
Others	3,320.53	3,549.63
	<u>3,469.63</u>	<u>3,579.55</u>

8.1 "Others" includes dues to small and medium enterprises, which require the following disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

i. Principal amount remaining unpaid and interest thereon	3.12	5.83
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	0.01	0.01
iv. Interest accrued and remaining unpaid	0.01	0.01
v. Interest due and payable even in succeeding years	1.07	1.06

As at  
March 31, 2014      As at  
March 31, 2013  
₹ in lacs      ₹ in lacs

## 9 OTHER CURRENT LIABILITIES

Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	896.33	896.33
Term Loans		
From Banks	1,241.59	820.27
From Other Parties	5,372.61	3,980.05
	<u>7,510.53</u>	<u>5,696.65</u>
Interest Accrued but not Due on Borrowings *	46.37	90.85
Unclaimed Share Application Money	14.77	14.77
Statutory Dues	2,124.48	1,568.22
Advances from Customers	1,887.79	955.06
Other Payables		
Creditors for Fixed Assets	77.75	Nil
Liabilities for Expenses at the year end	2,809.38	2,883.19
Others	58.36	48.31
	<u>2,945.49</u>	<u>2,931.50</u>
	<u>14,529.43</u>	<u>11,257.05</u>

9.1 \* Refer Note 4.1 (B) for security given.

As at  
March 31, 2014      As at  
March 31, 2013  
₹ in lacs      ₹ in lacs

## 10 Short-term Provisions

For Employee Benefits - Gratuity and Compensated Absences (Refer Note 36)	210.59	178.48
For Others - Year end Excise duty on Stocks and Wealth-tax	154.73	73.25
	<u>365.32</u>	<u>251.73</u>



₹ in lacs

Notes forming part of financial statements						
	Gross Block		Depreciation, Amortisation and Impairment		Net Block	
	As at April 1, 2013	As at Additions Deductions / Adjustments March 31, 2014	Up to March 31, 2013	For the Deductions / Year Adjustments March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>11 FIXED ASSETS</b> [Refer Note (i)]						
<b>Tangible Fixed Assets</b>						
Freehold land	239.08	-	-	-	239.08	239.08
Leasehold land	239.08	-	-	-	239.08	239.08
[Refer Note (ii)]	21.45	-	-	-	21.45	21.45
Buildings and Jetty	21.45	-	-	-	21.45	21.45
[Refer Note (iii)]	6,085.90	25.71	3,365.47	238.06	2,508.08	2,720.43
Plant and equipments	6,004.78	81.12	3,100.07	265.40	2,720.43	2,904.71
[Refer Note (iv), (v)]	45,413.25	419.03	1,036.95	1,632.25	14,485.22	16,115.62
Furniture and Fixtures	45,427.13	466.34	28,051.85	1,714.08	16,115.62	17,375.28
Vehicles	1,164.53	51.19	31.85	51.03	484.42	498.27
[Refer Note (vi)]	1,144.09	26.70	614.31	56.11	498.27	529.78
Office equipments	1,445.62	177.16	707.10	91.70	719.51	738.52
Railway siding, weighbridge, rolling stock and locomotives	1,276.58	321.26	688.82	81.10	738.52	587.76
	531.04	27.97	253.27	43.43	260.85	277.77
	420.07	140.79	242.24	37.71	277.77	177.83
	281.56	-	266.96	1.52	13.08	14.60
	281.56	-	264.58	2.38	14.60	16.98
<b>Current Year</b>	<b>55,182.43</b>	<b>701.06</b>	<b>34,556.69</b>	<b>2,057.99</b>	<b>18,731.69</b>	<b>20,625.74</b>
Previous year	54,814.74	1,036.21	32,961.87	2,156.78	20,625.74	
<b>Intangible Fixed Assets</b>						
Other than internally generated Computer softwares						
<b>Current Year</b>	<b>99.03</b>	<b>139.68</b>	<b>65.89</b>	<b>39.42</b>	<b>133.40</b>	<b>33.14</b>
Previous year	96.82	2.21	54.07	11.82	33.14	
<b>Capital work-in-progress</b>						
<b>Tangible Capital WIP</b>						
[Refer Note (vii), (viii)]						
<b>Current Year</b>	<b>8,341.11</b>	<b>554.28</b>	<b>1,983.01</b>	<b>507.07</b>	<b>5,909.51</b>	<b>6,358.10</b>
Previous year	8,384.29	471.38	656.69	1,326.32	6,358.10	
<b>Intangible Capital WIP</b>						
Computer softwares						
<b>Current Year</b>	<b>69.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.75</b>
Previous year	-	69.75	-	-	-	-

### 11.1 NOTES:

- i. Gross Block includes ₹ 4061.10 lacs (Previous year ₹ 4345.89 lacs) added on revaluation of the Company's free-hold and leasehold land, buildings, plant and machinery situated at Ranavav in order to reflect a realistic position of the net replacement cost of such assets, on the basis of valuation made by an external valuer, which had resulted in a net increase of ₹ 5722.61 lacs, as at June 30, 1993.
- ii. Besides the land specified above, the Company holds other leasehold land for which the company pays only ground rent.
- iii. Buildings exclude cost of shares held in a Co-operative Society included under Note 12 of Non-current Investments.
- iv. Plant and equipments include cost of service line of ₹ 33.20 lacs (Previous Year ₹ 33.20 lacs), ownership of which is vested with Paschim Gujarat Vij Company Limited.
- v. Plant and equipments include cost of assets of ₹ 206.69 lacs (Previous Year ₹ 206.69 lacs), acquired under lease purchase agreements.
- vi. Vehicles include assets financed under hire purchase agreements.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>vii. Accounting of Fixed Assets and Borrowing Costs</b>		
Capital work-in-progress includes pre-operative expenses, as under:		
a. Technical Consultancy	320.40	320.40
b. Employee Cost	144.56	144.56
c. Interest and Finance Cost	3,104.18	3,104.18
d. Traveling and Conveyance	227.48	227.48
e. Exchange Rate Fluctuation	42.43	42.43
f. Transportation Charges	19.96	19.96
g. Miscellaneous	59.97	59.97
	<u>3,918.98</u>	<u>3,918.98</u>

### viii. Impairment of Assets :

The Company had incurred an aggregate sum of ₹ 7838.15 lacs (Previous Year ₹ 7901.66 lacs) towards Expansion Project Assets, and reflected under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased, civil work carried out and pre-operative expenses (including interest capitalised) as shown in Note 11 (vii) above. However, later on in the year 2005, due to several adversities, the project was suspended. At the year end, based on the assessment of the recoverable amount (net selling price) of the said suspended Project and civil works reflected under CWIP carried out by M/s Shinde Engineering Services, project consultants, the aggregate provision for impairment of ₹ 2490.08 lacs (Previous Year ₹ 1983.01 lacs), including ₹ 507.07 lacs (Previous Year ₹ 1326.32 lacs) for the year, is recognised as required under Accounting Standard 28 on "Impairment of Assets".

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                      ₹ in lacs

## 12 NON-CURRENT INVESTMENTS

Long-term Investments

Valued at cost less provision for other than temporary diminution

Trade Investments

### In Equity Instruments of Subsidiaries

Unquoted

(Fully paid equity shares of ₹ 10 each)

Quantity	Investee company			
1,00,00,000	Pranay Holdings Limited	1,000.00		1,000.00
1,00,00,000	Prachit Holdings Limited	1,000.00		1,000.00
1,00,00,000	Ria Holdings Limited	1,000.00		1,000.00
40,00,000	Reeti Investments Limited	400.00		400.00
4,04,100	Agrima Consultants International Limited	135.68		135.68
1,49,272	Concorde Cement (Pvt.) Limited (Srilankan Rupee)	9.19		9.19
		<u>3,544.87</u>		<u>3,544.87</u>
		<u>1,712.50</u>		<u>1,712.50</u>
Less: Provision for diminution in value			1,832.37	1,832.37

Other than Trade

### In Equity Instruments of Others

Quoted

(Fully paid equity shares of ₹ 10 each)

70,500	MTZ Industries Limited (under suspension on stock exchange and hence, fully provided for)	35.25		35.25
3,000,000	MTZ Polyfilms Limited	600.00		600.00
200	Dena Bank Limited	0.06		0.06
		<u>635.31</u>		<u>635.31</u>
Less: Provision for diminution in value		<u>588.75</u>		<u>588.75</u>
			46.56	46.56

Unquoted

Quantity	Investee company	Face Value ₹ per share		
10	IL-Palazzo CHS Limited	50		
2,001	Rajkot Nagrik Sahakari Bank Limited	50		
2,500	Saraswat Co-op Bank Limited	10	1.26	1.26
			<u>47.82</u>	<u>1,880.19</u>
			<u>1,880.19</u>	<u>1,880.19</u>

	As at March 31, 2014		As at March 31, 2013	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted investments	635.31	39.61	635.31	39.67
Aggregate amount of unquoted investments	3,546.13	Nil	3,546.13	Nil
	<u>4,181.44</u>		<u>4,181.44</u>	
Aggregate provision on non current investments	<u>(2,301.25)</u>		<u>(2,301.25)</u>	

### 13 ACCOUNTING FOR TAXES ON INCOME

In terms of paragraph 26 of Accounting Standard 22 on “Accounting for Taxes on Income”, the Company has reviewed its Deferred Tax Asset (DTA) recognised till last year.

In terms of AS 22, the Company recognised DTA on the basis of prudence only to the extent it would have sufficient future taxable income (by way of reduction in unabsorbed depreciation and / or carried forward business losses) against which the aggregate DTA recognised as on the Balance Sheet date would be realised. The Company also recognized DTA in respect of the unabsorbed depreciation to the extent of deferred tax liability (DTL) for timing difference for depreciation.

At the year end, the Company has recognised DTA of ₹ 1096.09 lacs (Previous Year ₹ 1332.36 lacs), i.e. to the extent of DTL for the timing difference on account of depreciation.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	1,096.09	1,332.36
<b>Deferred Tax Liabilities</b>		
Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 1956	1,096.09	1,332.36
<b>Deferred Tax Assets - Net</b>	Nil	Nil

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>14 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured - considered good		
Capital Advances	374.41	388.69
Security Deposits	400.59	636.54
Loans and Advances to Related Parties - to Subsidiaries		
Interest-free Deposits	34.40	34.40
Other Receivables	193.56	185.25
(Refer Note 38)	227.96	219.65
Other Loans and Advances		
Staff Advance	10.78	Nil
Taxes Paid (Net of Provision of ₹ 538.07 lacs, Previous year ₹ Nil)	195.65	145.22
(Refer Note 30)	206.43	145.22
Unsecured, Considered Doubtful		
Intercompany Deposits	554.76	554.76
Less: Provision for Bad and Doubtful Deposits	554.76	554.76
	Nil	Nil
	1,209.39	1,390.10

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 15 OTHER NON-CURRENT ASSETS

Inventories		
Stores and Spare Parts - (Refer Note below)	269.02	290.07
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	201.79	193.57
Less: Provision for Bad and Doubtful Debts	201.79	193.57
Deposits with Banks	Nil	Nil
Maturity beyond 12 months from the Balance Sheet Date		
Held as Margin Money	49.76	190.34
	<u>318.78</u>	<u>480.41</u>

### 15.1 Note:

Inventories of stores and spare parts are for the plant which is not yet put up and therefore, are not expected to be used within a period of 12 months from the balance sheet date.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 16 INVENTORIES

Raw Materials	1,023.81	1,138.36
Packing Materials	149.63	147.06
Work-in-progress	466.07	861.09
Finished Goods	866.99	698.58
Fuels	1,726.31	2,027.92
Stores and Spare Parts	1,407.58	1,767.86
Stores and Spare Parts in transit	33.97	25.55
	<u>1,441.55</u>	<u>1,793.41</u>
	<u>5,674.36</u>	<u>6,666.42</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 17 TRADE RECEIVABLES

Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	325.91	371.75
Others	1,285.57	1,021.71
	<u>1,611.48</u>	<u>1,393.46</u>

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                      ₹ in lacs

## 18 CASH AND BANK BALANCES

Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	1,143.08	267.83
Fixed Deposits (Original maturity upto 3 months)	800.00	1,800.00
Cash on Hand	4.40	5.01
	<u>1,947.48</u>	<u>2,072.84</u>
Other Bank Balances		
Earmarked Balances with Banks	0.43	0.43
Deposits with Banks		
(Maturity below 12 months from the Balance Sheet Date)		
Held as Margin Money (Original maturity more than 12 months)	149.03	38.23
Others (Original maturity more than 3 months and upto 12 months)	1,950.00	1,300.00
	<u>2,099.03</u>	<u>1,338.23</u>
	<u>4,046.94</u>	<u>3,411.50</u>

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                      ₹ in lacs

## 19 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Other Loans and Advances		
Balances with Statutory / Government Authorities	377.91	465.06
MAT Credit Entitlement (Refer Note 30)	538.07	Nil
Prepaid Expenses	95.25	91.58
Advances Recoverable in cash or in kind or for value to be received	110.21	119.63
Advances Against Purchase of Stores	292.28	323.70
	<u>1,413.72</u>	<u>999.97</u>

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                      ₹ in lacs

## 20 OTHER CURRENT ASSETS

Unsecured, considered good		
Export Benefits Receivable	82.06	57.88
Receivable on Sale of Discarded Assets	201.84	Nil
Interest Receivable	81.87	252.36
	<u>365.77</u>	<u>310.24</u>

	For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 21 REVENUE FROM OPERATIONS

Sale of Products		
Manufactured Goods	53,983.82	56,083.02
Traded Goods	4,057.34	2,939.66
	<b>58,041.16</b>	<b>59,022.68</b>
Other Operating Revenues		
Sale of Power	128.22	333.34
Sale of Scrap	181.02	241.21
Export Entitlements	194.31	118.42
	<b>503.55</b>	<b>692.97</b>
	<b>58,544.71</b>	<b>59,715.65</b>
Less: Excise Duty	5,408.47	5,924.55
	<b>53,136.24</b>	<b>53,791.10</b>
<b>Details of Products Sold</b>		
Sale of Manufactured Goods		
Cement	50,609.17	55,230.79
Clinker	3,374.65	852.23
	<b>53,983.82</b>	<b>56,083.02</b>
Sale of Traded Goods		
Cement	2,356.70	2,939.66
Clinker	1,700.64	Nil
	<b>4,057.34</b>	<b>2,939.66</b>

	For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 22 OTHER INCOME

Interest Income on		
- Fixed Deposits with Banks	168.02	139.51
- Fixed deposits with a State Financial Corporation	108.44	215.63
- Others	9.73	15.65
	<b>286.19</b>	<b>370.79</b>
Dividends Income from Long-term Investments - others	0.04	0.26
Miscellaneous Income (including overheads shared)	51.03	54.60
Insurance Claims	6.95	241.92
Profit on Sale of Fixed Assets (Net)	Nil	20.19
Bad Debts Recovered	Nil	4.30
Provision for Doubtful Debts no longer required	6.28	0.58
Excess Provision Written Back	83.01	204.76
Trade Payables Written Back	27.20	85.44
	<b>460.70</b>	<b>982.84</b>

For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 23 COST OF MATERIALS CONSUMED

### Raw Materials

Opening Stock of Raw Materials	1,138.36	335.63
Add: Purchases	1,922.45	2,719.86
	<u>3,060.81</u>	<u>3,055.49</u>
Less: Closing Stock of Raw Materials	<u>1,023.81</u>	<u>1,138.36</u>
	<b>2,037.00</b>	<b>1,917.13</b>

### Packing Materials

Opening Stock of Packing Materials	147.06	192.72
Add: Purchases	1,650.92	1,532.85
	<u>1,797.98</u>	<u>1,725.57</u>
Less: Closing Stock of Packing Materials	<u>149.63</u>	<u>147.06</u>
	<b>1,648.35</b>	<b>1,578.51</b>
	<u><b>3,685.35</b></u>	<u><b>3,495.64</b></u>

### Details of Raw Materials Consumed

Gypsum	635.35	647.52
Fly Ash	457.04	796.61
Iron Ore	235.09	255.62
Clinker Purchased	580.05	Nil
Others	129.47	217.38
	<u><b>2,037.00</b></u>	<u><b>1,917.13</b></u>

For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 24 PURCHASES OF STOCK-IN-TRADE

### Purchases of Traded Goods

Cement	2,343.08	2,939.66
Clinker	1,640.74	Nil
	<u><b>3,983.82</b></u>	<u><b>2,939.66</b></u>



For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

## 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Stocks at the end

Finished Goods - Cement	866.99	698.58
Work-in-progress - Raw Flour and Clinker	466.07	861.09
	<b>1,333.06</b>	<b>1,559.67</b>

Less: Stocks at the Beginning

Finished Goods - Cement	698.58	874.41
Work-in-progress - Raw Flour and Clinker	861.09	673.24
	<b>1,559.67</b>	<b>1,547.65</b>

Increase in Excise Duty on Stocks

	<b>226.61</b>	<b>(12.02)</b>
	<b>81.18</b>	<b>11.31</b>
	<b>307.79</b>	<b>(0.71)</b>

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

## 26 EMPLOYEE BENEFITS EXPENSE

(Refer note to Note 28)

Salaries, Wages and Bonus	2,695.88	2,425.41
Contribution to Provident and Other Funds	152.36	145.50
Gratuity Expense	69.19	142.39
Staff Welfare Expenses	85.89	110.97
	<b>3,003.32</b>	<b>2,824.27</b>

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

## 27 FINANCE COSTS

Interest expense

On Borrowings	1,322.06	2,116.47
On Others [including on rent arrears ₹ Nil (Previous Year ₹ 628.52 lacs) based on the Supreme Court order]	312.55	1,216.54
	<b>1,634.61</b>	<b>3,333.01</b>

Other Borrowing Costs

	<b>2.36</b>	<b>5.26</b>
	<b>1,636.97</b>	<b>3,338.27</b>

For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 28 OTHER EXPENSES

Stores and Spare Parts Consumed	3,730.59	3,433.68
Power and Fuel	15,321.92	15,082.55
Rent [including arrears ₹ Nil (Previous Year ₹ 383.24 lacs) based on the Supreme Court order]	228.05	519.79
Repairs and Maintenance:		
Buildings, etc.	267.01	229.68
Machinery	1,838.31	1,377.03
Others	495.38	355.49
	2,600.70	1,962.20
Insurance	117.89	120.85
Rates and Taxes	338.31	301.99
Raw Material Handling Charges [Refer Note (a) below]	565.78	403.93
Limestone / Marl Raising Charges [Refer Note (a) below]	747.61	665.71
Royalty and Cess [Refer Note (a) below]	964.57	897.45
Advertisement and Business Promotion Expenses	1,543.05	1,308.28
Freight and Handling Expenses	7,461.28	6,431.01
Commission	732.71	700.56
Directors' Fees	15.80	12.60
Charity and Donation	28.92	1.00
Traveling and Conveyance	180.63	187.00
Legal and Professional Charges	303.38	217.54
Net Loss on Foreign Currency Transactions and Translation	98.76	124.03
Auditor's Remuneration		
Audit Fees	7.00	7.00
Tax Audit Fees	2.65	2.65
For Other Services - Certification Work	3.95	5.30
Reimbursement of Expenses	Nil	0.30
	13.60	15.25
Provision for Doubtful Debts	14.49	11.06
Bad Debts Written Off	Nil	19.64
Less: Provision for Doubtful Debts Written Back	Nil	19.64
	Nil	Nil
Loss on Sale of Assets (Net)	240.45	Nil
Capital Work-in-progress Written Off	181.44	Nil
Miscellaneous Expenses	921.49	871.59
Cost of Cement Self Consumed [Refer Note (b) below]	(23.00)	(24.18)
	36,328.42	33,243.89

### 28.1 NOTES:

- a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) include expenses incurred on cost of raising and transporting limestone / marl, which are part of the raw materials, details of which are as under:
- |                                      |          |          |
|--------------------------------------|----------|----------|
| Salaries, Wages and Bonus            | 80.00    | 90.63    |
| Stores and Spare Parts Consumed      | 275.38   | 228.86   |
| Repairs and Maintenance to Machinery | 123.78   | 24.36    |
| Raw Material Handling Charges        | 435.21   | 227.10   |
| Limestone / Marl Raising Charges     | 747.61   | 665.25   |
| Royalty and Cess                     | 829.53   | 887.39   |
|                                      | 2,491.51 | 2,123.59 |

- b. Cost of cement self consumed also includes other material costs and depreciation.

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

## 29 EXCEPTIONAL GAIN

Write Back on One Time Settlement (OTS) with Government of Gujarat (GoG)  
(Refer Note 29.1)

Nil 12,007.27

Interest Income on GSFS Deposit

Nil 2,693.18

Interest Write Back on Long Term Debt (Refer Note 29.1)

Nil 1,414.84

**Nil 16,115.29**

### 29.1 Note:

Write back is in respect of One Time Settlement (OTS) with the Government of Gujarat (GOG), of the outstanding dues as per Option II of the Government Resolution for OTS applicable to sick units under BIFR. Accordingly, the amounts lying as outstanding dues were written back in terms of remission given under OTS during the year ended March 31, 2013. The settlement covering a period of 18 months as per letter Ref IC/IM/BIFR/9351275/699695 dated May 17, 2012 of GOG, 2012 was successfully completed during the current financial year.

- 30** In view of the carried forward losses and unabsorbed depreciation available, the Company is not liable to tax as per the normal provisions of the Income-tax Act, 1961. Further, as per the provisions of Minimum Alternate Tax (MAT) under Section 115JB of the Income-tax Act, 1961, the Company has provided for MAT during the year and to the extent of convincing evidence the same has been included under MAT Credit Entitlement and shown under "Short-term Loans and Advances" in Note 19.

As at March 31, 2014	As at March 31, 2013
₹ in lacs	₹ in lacs

## 31 CONTINGENT LIABILITIES AND COMMITMENTS

- i. Contingent liabilities: (to the extent not provided for)

a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 432.57 lacs, previous year ₹ 388.69 lacs). **709.49** 332.79

- b. Matters under disputes / appeals :

Sales Tax liabilities **435.67** 435.67

Excise Duty **296.71** 296.71

Service Tax **105.00** 106.16

Royalty **15.12** 15.12

Customs Duty **269.89** 4.05

Road Tax **26.54** 26.54

Claims filed by workmen or their union against the Company **145.39** 373.89

On account of Power Supply **440.99** 440.99

Other demands and claims against the Company not acknowledged as debts **20.55** 20.55

The amounts stated are including interest and penalty, to the extent demanded.

- c. The operation of a show cause notice dated August 20, 2002 issued by the Jute Commissioner, stipulating the Company to fulfill the obligation of packing a minimum of 50% of cement in jute bags from March 15, 1995 or pay penalty under Section 3 (1) of the Jute Packing Materials (Compulsory use in Packing Commodities) Act, 1987 is presently stayed by Calcutta High Court, the amount of which is not ascertainable.

ii. Commitments:

The Company has guaranteed a minimum cargo handling of 500,000 M.T from April to March each year at its jetty at Porbander, under the license agreement entered with Gujarat Maritime Board for a period of 15 years from the day Jetty became operational. The failure of such commitment shall make the Company liable to pay the wharfage charges for the remaining cargo at the prevailing wharfage rates. During the year (as also in the previous year) the Company has handled cargo in excess of the minimum requirement.

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- 32** The accumulated arrears of preference dividend unprovided for the period from November 2000 till the balance sheet date amounted to ₹ 1192.39 lacs (Previous year ₹ 1103.91 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.
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- 33** The Company was registered as a Sick Industrial Company with the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR, vide its order dated June 1, 2012 has formulated and circulated a Sanctioned Rehabilitation Scheme (SS-12) for revival of the Company, inter-alia providing relief and concessions from various agencies including reduction / waivers of interest (including default interest, penal interest and penalties). The Scheme as approved is presently under implementation. The Sanctioned Scheme envisages the following;

- i. Lenders covered under Scheme of Compromise and Arrangement u/s 391 to 394 of Companies Act, 1956 to be paid as per the CDR Scheme / Scheme of Compromise u/s 391 to 394 of Companies Act, 1956.
- ii. For loans from India Debt Management Private Limited not covered in (i) above, the interest rate has been reset to 12% simple interest with effect from April 1, 2010 and the entire amount outstanding as on March 31, 2012 to be repaid over a period of four years.
- iii. Promoters and their associates to infuse fresh equity of ₹ 1800 lacs.

Since the net worth of the Company is positive, it is no longer a Sick Industrial Company, and implementation of sanctioned Corporate Debt Restructuring (CDR) Scheme, the accounts of the Company are prepared on a going concern basis.

- 
- 34** Expenses on maintenance, etc. incurred during the year for a guest house at Mumbai amounting to ₹ 7.71 lacs (Previous year ₹ 5.99 lacs) have been presently borne by the Company. The guesthouse was under the unauthorised occupation of relatives of the ex-chairman. The Company had filed a suit for recovery of the possession of the guest house, which also includes recovery of expenses incurred. The said suit was decided against the Company by declaring legal heirs of the ex-chairman as tenants. The Company has preferred an appeal before the Division Bench against the said order, which is pending.

However, since the date of the Balance Sheet, under the process of sale through tender, on as is where is basis, a letter of acceptance to the successful bidder for the said guest house has been issued.

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For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

### 35 ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT AND LOSS

i.	Value of imports calculated on CIF basis		
a.	Components and Spare Parts	177.30	494.11
b.	Capital Goods	101.08	25.55
ii.	Expenditure in Foreign Currency		
a.	Traveling Expenses	2.65	7.26
b.	Sea Freight and Demurrage	57.16	7.93
c.	Professional Fees	3.58	1.09
d.	License / Registration of Trade Mark Fees	16.89	13.74
e.	Others	10.78	5.01

		For the Year ended March 31, 2014		For the Year ended March 31, 2013	
		₹ in lacs	%	₹ in lacs	%
iii.	Value of Imported / Indigenous Consumption				
	Raw Materials - Indigenous	4,528.51	100.00%	4,040.72	100.00%
	Spare Parts and Components				
a.	Imported	493.51	13.92%	387.81	6.89%
b.	Indigenous *	3,050.58	86.08%	5,239.17	93.11%
*	Includes amounts directly debited to various account heads	3,544.09	100.00%	5,626.98	100.00%
iv.	Earnings in Foreign Currency				
a.	Exports on FOB basis	13,758.88		9,484.81	
b.	Despatch money on Export of Goods	62.64		32.45	

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
	Compensated Absences		Gratuity	
<b>36 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	276.04	244.12	713.99	648.22
Current Service Cost	16.39	14.39	31.57	29.47
Interest Cost	22.08	20.75	57.12	55.10
Actuarial (Gain) / Loss on obligations	(9.79)	39.66	(22.62)	57.46
Benefits paid	(9.88)	(42.88)	(50.81)	(76.25)
Present value of Obligation as at the end	294.84	276.04	729.25	714.00
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning	Not Applicable		3.88	3.92
Expected return on Plan Assets	Not Applicable		0.33	0.33
Contributions	Not Applicable		53.00	76.00
Benefits paid	Not Applicable		(50.81)	(76.25)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		0.03	(0.11)
Fair value of Plan Assets as at the end	Not Applicable		6.43	3.89
<b>iii. The amount recognised in Balance Sheet</b>				
Gross value of present Obligation at the end	294.85	276.04	729.25	713.99
Fair Value of Plan Assets at the end	Nil	Nil	6.44	3.88
Net (Liability) recognised in Balance sheet	294.85	276.04	722.81	710.11
<b>iv. Amount recognised in the Statement of Profit and Loss</b>				
Current Service Cost	16.39	14.39	31.57	14.39
Interest Cost	22.08	20.75	57.12	20.75
Expected return on Plan Assets	Nil	Nil	(0.33)	Nil
Net actuarial (Gain) / Loss recognised in the year	(9.79)	39.66	(22.66)	39.66
Expenses Recognised in the statement of Profit and Loss	28.69	74.80	65.70	74.80
<b>v. Category of Assets</b>				
Insurer Managed Funds	Not Applicable		6.44	3.88
<b>vi. Assumptions</b>				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	9.25%	8.00%	9.25%	8.00%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		8.50%	8.50%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
<b>vii.</b> The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.				
<b>viii.</b> The Company expects to contribute a sum of ₹ 103.96 lacs (Previous year ₹ 88.75 lacs) towards gratuity during the year ended March 31, 2015.				

- ix. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical return on the plan assets.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>Particulars</b>		
Experience Adjustments		
On plan liability (gain) / loss	24.95	38.19
On plan assets gain	0.03	(0.11)
Present value of benefit obligation	729.25	713.99
Fair value of plan assets	6.44	3.88
Excess of obligation over plan assets	722.81	710.11

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
--	--------------------------------------	--------------------------------------

### 37 SEGMENT REPORTING

The Company has only one business segment 'cement / clinker' as primary segment. The secondary segment is geographical segment which is given below :

Domestic revenues (net of excise duty)	38,873.81	43,613.32
Exports - International markets	13,758.88	9,484.81
Total	<u>52,632.69</u>	<u>53,098.13</u>

All the assets of the Company are in India only.

### 38 RELATED PARTY DISCLOSURES

#### List of related parties:

- i. Enterprises under control, or are controlled by, or under common control, with the reporting enterprise are :

a. Jagmi Investment Limited	k. Sumaraj Holdings Private Limited
b. Fawn Trading Co. Pvt. Limited	l. Clarence Investments Limited
c. Fern Trading Co. Pvt. Limited	m. Trans Asia Investment & Trading Limited
d. Willow Trading Co. Pvt. Limited	n. Sampson Limited
e. Tejashree Trading Co. Pvt. Limited	o. Villa Trading Co. Pvt. Ltd.
f. Pallor Trading Co. Pvt. Limited	p. Aber Investments Limited
g. The Mehta International Limited	q. Galaxy Technologies Private Limited
h. Mehta Private Limited	r. Mehta Sports Private Limited
i. Sameta Exports Pvt. Limited	s. The Sea Island Investments Limited
j. Sunnidhi Trading Private Limited	t. Parsec Consultancy Private Limited

- ii. Subsidiary Companies :

a. Agrima Consultants International Limited	d. Ria Holdings Limited
b. Pranay Holdings Limited	e. Reeti Investments Limited
c. Prachit Holdings Limited	f. Concorde Cement P. Limited

- iii. Key Management Personnel :
  - a. Mr. Jay M Mehta – Executive Vice Chairman
  - b. Mr. M S Gilotra - Managing Director
- iv. Relatives of Key Management Personnel with whom Transactions have taken place:
  - a. Mr. Mahendra N Mehta - Father of Mr. Jay M Mehta
  - b. Mrs. Narinder Kaur - Wife of Mr. M S Gilotra
  - c. Mr. Amandeep Singh Gilotra - Son of Mr. M S Gilotra
- v. Enterprise having Key Management Personnel in common:
  - a. Gujarat Sidhee Cement Limited

	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹ in lacs	₹ in lacs

## TRANSACTIONS WITH RELATED PARTIES:

i. Transactions and Balances with subsidiary companies:		
a. Amount Receivable from subsidiaries		
Agrima Consultants International Limited	185.49	160.21
Prachit Holdings Limited	1.91	9.15
Pranay Holdings Limited	Nil	4.66
Ria Holdings Limited	Nil	4.55
Reeti Investments Limited	6.16	6.67
b. Deposits with Reeti Investments Limited	34.40	34.40
ii. Payments to Key Managerial Personnel:		
a. Remuneration to Mr. Jay M Mehta	88.64	36.58
b. Remuneration to Mr. M S Gilotra	138.38	120.05
iii. Payments to relatives of Key Managerial Personnel:		
a. Directors sitting fees to Mr. Mahendra N Mehta	0.80	0.20
b. Security Deposit to Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
c. Rent to Mrs. Narinder Kaur	4.45	1.20
iv. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of Goods and materials	4,621.54	2,948.45
b. Sale of Goods and materials	27.42	201.91
c. Expenses / (Recovery) for services (net)	(46.94)	(34.14)
d. Amount payable as at the end of the year	149.10	29.92



As at March 31, 2014	As at March 31, 2013
₹ in lacs	₹ in lacs

### 39 OUTSTANDING LEASE DISCLOSURES

Cost of machinery acquired under finance leases	206.69	206.69
Net carrying amount at the Balance Sheet date	75.16	98.54
Lease rent payable obligation in future	Nil	Nil

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

### 40 EARNINGS PER SHARE

Weighted average number of equity shares of ₹ 10 each	51,191,065	51,191,065
Net Profit for the year	2,065.06	18,403.93
Less: Dividend payable to OCCPS holders (Refer Note 2 b)	89.39	89.39
Net Profit available to equity shareholders	1,975.67	18,314.54
Basic and diluted earnings per share (in Rupees)	3.86	35.78

### 41 FINANCIAL INSTRUMENTS: DISCLOSURES

Details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are:

	As at March 31, 2014		As at March 31, 2013	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
Advances from Customers	1,105,469	667.04	39,699	21.69

### 42 Previous Year's figures have been regrouped / reclassified to conform to the current year's presentation.

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

#### For and on Behalf of the Board of Directors

<b>M. N. Mehta</b>	Chairman
<b>Jay M. Mehta</b>	Executive Vice Chairman
<b>M. N. Rao</b>	Director
<b>M. S. Gilotra</b>	Managing Director
<b>V. R. Mohnot</b>	Director (Finance) & Company Secretary

Mumbai, Dated May 30, 2014

## **Independent Auditor's Report To The Board of Directors of Saurashtra Cement Limited Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SAURASHTRA CEMENT LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- ii. in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of any of the Subsidiaries, namely, Pranay Holdings Limited, Prachit Holdings Limited, Ria Holdings Limited, Reeti Investments Limited and Agrima Consultants International Limited, whose financial statements reflect total assets (net) of ₹ 193.36 lacs as at March 31, 2014, total revenues (net) of ₹ 48.80 lacs, and net cash inflow amounting to ₹ 2.77 lacs for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, is based solely on the report of the other auditors.

Our opinion is not qualified in respect of other matters.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148

Place : MUMBAI  
Date : MAY 30, 2014

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	March 31, 2014 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	11,056.00		8,984.47
			16,863.02	14,791.49
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	3,781.27		11,446.48
Other Long-term Liabilities	5	711.65		693.77
Long-term Provisions	6	807.07		807.67
			5,299.99	12,947.92
<b>Current Liabilities</b>				
Short-term Borrowings	7	574.52		573.22
Trade Payables	8	3,475.39		3,629.80
Other Current Liabilities	9	14,535.59		11,260.37
Short-term Provisions	10	365.32		251.73
			18,950.82	15,715.12
		<b>TOTAL</b>	<b>41,113.83</b>	<b>43,454.53</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed Assets	11			
Tangible Assets		18,739.35		20,635.67
Intangible Assets		133.40		33.14
Tangible Capital Work-in-progress		5,909.51		6,358.10
Intangible Assets under Development		Nil		69.75
		24,782.26		27,096.66
Non-current Investments	12	1,499.43		1,499.43
Deferred Tax Assets (net)	13	Nil		Nil
Long-term Loans and Advances	14	1,349.57		1,538.59
Other Non-current Assets	15	318.78		480.41
			27,950.04	30,615.09
<b>Current Assets</b>				
Inventories	16	5,674.36		6,666.42
Trade Receivables	17	1,614.08		1,407.23
Cash and Bank Balances	18	4,060.32		3,422.11
Short-term Loans and Advances	19	1,449.26		1,033.44
Other Current Assets	20	365.77		310.24
			13,163.79	12,839.44
		<b>TOTAL</b>	<b>41,113.83</b>	<b>43,454.53</b>

Significant Accounting Policies and Notes form an integral part of the Consolidated Financial Statements 1 - 42

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

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

<b>M. N. Mehta</b>	Chairman
<b>Jay M. Mehta</b>	Executive Vice Chairman
<b>M. N. Rao</b>	Director
<b>M. S. Gilotra</b>	Managing Director
<b>V. R. Mohnot</b>	Director (Finance) & Company Secretary

Mumbai, Dated May 30, 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Note	March 31, 2014 ₹ in lacs	March 31, 2013 ₹ in lacs
Revenue from Operations (Gross)	21	58,544.69	59,957.51
Less: Excise Duty		5,408.47	5,924.55
Revenue from Operations (Net)		53,136.22	54,032.96
Other Income	22	509.49	984.92
<b>Total Revenue</b>		<b>53,645.71</b>	<b>55,017.88</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	3,685.35	3,495.64
Purchases of Stock-in-trade	24	3,983.82	2,939.66
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25	307.79	(0.71)
Employee Benefits Expense	26	3,003.32	2,824.27
Finance Costs	27	1,636.97	3,338.27
Depreciation, Amortisation and Impairment		2,606.73	3,497.88
Less: Amount Withdrawn from Revaluation Reserve		18.27	55.32
		2,588.46	3,442.56
Other Expenses	28	36,349.59	33,517.06
<b>Total Expenses</b>		<b>51,555.30</b>	<b>49,556.75</b>
<b>Profit before Exceptional Items and Tax</b>		<b>2,090.41</b>	<b>5,461.13</b>
Exceptional items - Gain	29	Nil	16,115.29
<b>Profit before Tax</b>		<b>2,090.41</b>	<b>21,576.42</b>
<b>Tax Expense</b>	30		
Current Tax		538.68	Nil
Less: MAT Credit Entitlement (Refer Note 30)		538.07	Nil
		0.61	Nil
Deferred Tax (Refer Note 13)		Nil	3,204.68
		0.61	3,204.68
<b>Profit for the year</b>		<b>2,089.80</b>	<b>18,371.74</b>
<b>Earnings per equity share of ₹ 10 par value per share</b>			
Basic and diluted ( ₹ per share)	40	3.91	35.71

### Significant Accounting Policies and Notes form an integral part of the Consolidated Financial Statements

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

#### PARESH H. CLERK

Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

#### For and on Behalf of the Board of Directors

<b>M. N. Mehta</b>	Chairman
<b>Jay M. Mehta</b>	Executive Vice Chairman
<b>M. N. Rao</b>	Director
<b>M. S. Gilotra</b>	Managing Director
<b>V. R. Mohnot</b>	Director (Finance) & Company Secretary

Mumbai, Dated May 30, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before tax</b>		<b>2,090.41</b>	21,576.42
Adjustments for :			
Add: Finance Costs	<b>1,636.97</b>		3,338.27
Hire Purchase Rentals	<b>24.08</b>		2.23
Loss on Sale of Assets / Capital WIP Written Off	<b>421.89</b>		Nil
Provision for Doubtful debts	<b>14.49</b>		11.06
Depreciation, Amortisation and Impairment	<b>2,588.46</b>		3,442.56
		<b>4,685.89</b>	6,794.12
Less: Profit on Sale of Assets	<b>Nil</b>		20.19
Interest Income	<b>286.19</b>		370.79
Dividends Received	<b>22.92</b>		0.31
Excess Provision and Sundry Creditors Written Back	<b>110.21</b>		290.23
Doubtful Debts Written Back	<b>6.28</b>		0.58
Exceptional Gain	<b>Nil</b>		16,115.29
		<b>(425.60)</b>	(16,797.39)
<b>Operating profit before working capital changes</b>		<b>6,350.70</b>	11,573.15
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	<b>(37.82)</b>		(381.69)
Trade Payables and Other Current Liabilities	<b>578.18</b>		2,554.66
Long-term Loans and Advances and Other Non-current Assets	<b>386.80</b>		(643.41)
Inventories	<b>992.06</b>		(1,220.13)
Trade Receivables and Short-term Loans and Advances	<b>841.99</b>		809.83
Other Current Assets	<b>(226.02)</b>		(18.46)
		<b>2,535.19</b>	1,100.80
<b>Cash generated from operations</b>		<b>8,885.89</b>	12,673.95
Add: Direct Taxes (Payments) / Refunds		<b>(591.18)</b>	(8.46)
<b>Net cash flow from operating activities</b>		<b>8,294.71</b>	12,665.49

	March 31, 2014	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets / Capital Work-in-progress	(815.19)		(1,072.95)
Sale of Fixed Assets	115.23		126.76
Interest Income	456.68		2,828.72
Dividends Received	22.92		0.31
<b>Net cash flow from / (used in) investing activities</b>		(220.36)	1,882.84
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	11.54		33.86
Repayment of Long-term Borrowings	(5,862.87)		(10,292.45)
Short-term Borrowings	1.29		32.27
Deposits held as Margin Money	(760.80)		(1,185.01)
Repayment of Hire Purchase Liabilities	(24.08)		(19.97)
Finance Costs Paid	(1,562.02)		(2,015.99)
<b>Net cash flow used in financing activities</b>		(8,196.94)	(13,447.29)
<b>Net increase in cash and cash equivalents</b>		(122.59)	1,101.04
<b>Cash and cash equivalents as at the beginning of the year</b>		2,083.45	982.41
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		1,960.86	2,083.45

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued under the Companies (Accounting Standard) Rules, 2006.

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

**For and on Behalf of the Board of Directors**  
**M. N. Mehta** *Chairman*  
**Jay M. Mehta** *Executive Vice Chairman*  
**M. N. Rao** *Director*  
**M. S. Gilotra** *Managing Director*  
**V. R. Mohnot** *Director (Finance) & Company Secretary*

Mumbai, Dated May 30, 2014

## Notes forming part of Consolidated Financial Statements

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

The Consolidated Financial Statements are prepared in accordance with the generally accepted accounting principles under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at Ranavav) on accrual basis under the going concern assumption. These Consolidated Financial Statements have been prepared to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 as the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs)], and the relevant provisions of the 1956 Act/2013 Act, as applicable.

#### 1.2 Principles of Consolidation :

- i. The Financial Statements of Concorde Cement Private Limited are excluded from consolidation as control is intended only to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal, and same is fully provided for.
- ii. The Financial Statements of the Holding Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii. As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to, in the same manner as the Holding Company's separate Financial Statements.
- iv. The excess of cost to the Holding Company of its investments in the Subsidiary Companies is recognised in the Consolidated Financial Statements as goodwill and the goodwill is amortised over a period of 10 years commencing from the date from which it arises as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

#### 1.3 Subsidiary Companies considered in the Consolidated Financial Statement are:

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2014	Financial Year ends
i.	Pranay Holdings Limited	India	100%	Year ended March 31, 2014.
ii.	Prachit Holdings Limited	India	100%	
iii.	Ria Holdings Limited	India	100%	
iv.	Reeti Investments Limited	India	100%	
v.	Agrima Consultants International Limited	India	100%	

#### 1.4 Use of Estimates :

The preparation of the Consolidated Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, the reported amounts of assets and liabilities and the disclosures of contingent liabilities as on the date of the Consolidated Financial Statements. Examples of such estimates include useful lives of fixed tangible assets and intangible assets, provision for doubtful debts/ advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

#### 1.5 Tangible Assets, Intangible Assets and Capital work-in-progress :

- i. Tangible Assets are stated at cost and includes amounts added on revaluation, less accumulated depreciation and impairment, if any. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

- ii. 'Cost' for the purpose of valuing fixed assets and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).
- iii. Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on its completion for satisfactory commercial commencement.
- iv. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their book value and net realisable value and are shown separately under Other Current Assets. Any expected loss is recognised immediately in the Statement of Profit and Loss.

#### **1.6 Depreciation / Amortisation :**

- i. Depreciation on all assets (other then specifically mentioned herein below) is provided on the "Straight Line Method" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on revalued assets are calculated on net replacement value ascertained as at June 30, 1993.
- iii. The cost of Jetty is amortised over the period of right to use of 15 years. Addition thereto, is amortised over the residual years of its right to use.
- iv. Intangible assets being computer softwares are amortised over a period of 3 years.
- v. Depreciation provided on the revalued assets as reduced by that of on the original cost of the assets is transferred to the Statement of Profit and Loss from Revaluation Reserve, to the extent of availability of the Reserve.
- vi. Premium on leasehold land of long lease duration is not amortised, being not material.

#### **1.7 Assets Acquired On Lease / Hire Purchase :**

- i. Assets acquired under leases / hire purchase where the Holding Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease / hire purchase rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- ii. Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Consolidated Statement of Profit and Loss on accrual basis.

#### **1.8 Impairment of Assets :**

- i. As on each Balance Sheet date, if internal / external indicators suggest that an asset may be impaired, the carrying amount of the asset is tested for impairment so as to determine, the provision for impairment loss required, if any.
- ii. The impairment loss is recognised when the carrying amount of an asset / cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount is determined as the higher of its net selling price (net of material disposal expenses) and the value in use. Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/CGU as stated above and from its disposal at the end of its useful life.
- iii. If there is change in the indication, since the last impairment was recognised, so that the recoverable amount of an asset exceeds its carrying amount, an impairment recognised for an asset in prior accounting period is reversed.

#### **1.9 Investments :**

Investments those are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term



investments, being current investments, are valued at cost or fair value whichever is lower, determined on an individual basis.

#### **1.10 Inventories :**

- i. Raw materials, Packing materials and Fuels - 'At cost', derived on moving weighted average basis, or net realisable value, whichever is lower.
- ii. Work-in-process - 'At cost' or net realisable value, whichever is lower. Cost includes all direct costs and other related factory overheads.
- iii. Finished Goods - 'At cost' or net realisable value, whichever is lower. Cost includes all direct cost, other related factory overheads and excise duty. Traded goods are valued at cost or net realisable value, whichever is lower.
- iv. Stores and spares - 'At cost' on moving weighted average basis.

#### **1.11 Accounting of Cenvat / VAT Benefits :**

Cenvat / VAT credit availed under the relevant provisions in respect of Raw materials, Packing materials, Fuels, Stores and spares, capital goods, etc. is reduced from the relevant cost of purchases.

#### **1.12 Revenue Recognition :**

- i. Sales are accounted on dispatch of goods to customers. Sales figures are inclusive of excise duty, but are net of sales tax, value added tax, sales returns and adjustment in respect of discounts, rate difference, etc.
- ii. Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- iii. Export incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.
- iv. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- v. Dividend income is recognised based on establishment of the right to receive such income.

#### **1.13 Foreign Currency Transactions :**

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of the Balance Sheet.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

#### **1.14 Employee Benefits :**

- i. Defined contribution plan: The Holding Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the year in which the employees renders the related service.
- ii. Defined benefit plan - Gratuity : In accordance with applicable Indian Laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Holding Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent Actuary. Actuarial gain or loss is recognised immediately in the Consolidated Statement of Profit and Loss as Income or Expense. The Holding Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").
- iii. Compensated Absences : As per policy of the Holding Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Holding Company records an obligation

for Compensated absences in the year in which the employees renders the services that increases this entitlement. The Holding Company measures the expected cost of compensated absences as the additional amount that the Holding Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent Actuarial valuation.

**1.15 Borrowing Costs :**

- i. Borrowing costs that are attributable to the acquisition / construction of qualifying assets, are capitalised, net of income / income earned on temporary investments from such borrowings. Other borrowing costs are charged to the Consolidated Statement of Profit and Loss as expense in the year in which the same are incurred.
- ii. Redemption Premium payable on borrowings are included as part of borrowing costs on a periodic cost basis.

**1.16 Segment Reporting Policies:**

- i. Primary Segment is identified based on the nature of products, the different risks and returns and the internal business reporting system. Secondary Segment is identified based on the geographical location of its customers.
- ii. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**1.17 Taxation :**

- i. Tax on income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Holding Company will pay normal tax during the period specified to avail the MAT credit under the Income-tax Act, 1961, and the resultant asset can be measured reliably.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets. The Holding Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.
- iv. The Holding Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

**1.18 Provisions, Contingent Liabilities and Contingent Assets :**

- i. Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Holding Company, has a present obligation as a result of a past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.
- ii. Reimbursement expected in respect of the expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
- iii. Contingent liability is stated in the case of a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation, a possible obligation, unless the probability of outflow of resources is remote.
- iv. Contingent assets are neither recognised, nor disclosed.
- v. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

	As at March 31, 2014		As at March 31, 2013	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares, of ₹ 10 par value	130,000,000	13,000.00	130,000,000	13,000.00
Preference Shares, of ₹ 100 par value	6,000,000	6,000.00	6,000,000	6,000.00
Unclassified Shares, of ₹ 10 par value	5,000,000	500.00	5,000,000	500.00
		<u>19,500.00</u>		<u>19,500.00</u>
<b>Issued</b>				
Equity Shares, of ₹ 10 par value	59,095,018	5,909.50	59,095,018	5,909.50
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	687,595	687.60	687,595	687.60
		<u>6,597.10</u>		<u>6,597.10</u>
<b>Subscribed and Paid Up</b>				
Equity shares, of ₹ 10 par value	51,191,065	5,119.11	51,191,065	5,119.11
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	687,595	687.60	687,595	687.60
		<u>5,806.71</u>		<u>5,806.71</u>
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)		<u>5,807.02</u>		<u>5,807.02</u>

## 2.1 Reconciliation of the number of shares outstanding and amount of share capital

	As at March 31, 2014		As at March 31, 2013	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>a. Equity Shares, of ₹ 10 par value</b>				
At the beginning	51,191,065	5,119.11	51,191,065	5,119.11
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>51,191,065</u>	<u>5,119.11</u>	<u>51,191,065</u>	<u>5,119.11</u>
<b>b. Preference Shares, of ₹ 100 par value</b>				
At the beginning	687,595	687.60	687,595	687.60
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>687,595</u>	<u>687.60</u>	<u>687,595</u>	<u>687.60</u>

## **2.2 RIGHTS, PREFERENCES AND RESTRICTIONS**

### **a. Equity Shares**

- i. The Holding Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, in view of the carried forward losses, no dividend is / was declared on the equity shares for the year ended March 31, 2014 / March 31, 2013.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

### **b. Preference Shares :**

- i. The Holding Company has only one class of preference shares referred to as 13% Optionally Convertible Cumulative Preference Shares (OCCPS) having a par value of ₹100. The preference shares do not carry any voting right. In terms of Section 87 of the Companies Act, 1956, the holders of cumulative preference shares get entitled to vote on every resolution placed by the Holding Company at any meeting, if the dividend due on such shares or any part thereof has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.
- ii. OCCPS carried a fixed cumulative dividend of 13% p.a. from the date of issue. The holders of OCCPS carry a right to dividend ahead of equity share holders.
- iii. In the event of liquidation, the holders of OCCPS carry preference over equity shareholders in respect of repayment of capital.
- iv. OCCPS were redeemable at par on March 31, 2003. Of the total Preference Share Capital of ₹ 687.60 lacs, the holders of 1,74,557 OCCPS of ₹ 100 par value, aggregating to ₹ 174.56 lacs, have surrendered their right in the redemption, including the preference dividend thereon for the benefit of the Holding Company. Based on the advise received, pending the availability of funds / distributable profits for the redemption of capital, the beneficial ownership of these OCCPS has already been transferred in favour of a trust of which the Holding Company is the beneficiary. The accounting effect of such waiver (only in respect of these OCCPS) shall be made as and when such shares will be redeemed. For the balance of OCCPS, the right of conversion lapsed on August 22, 2003.

## **2.3 DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE HOLDING COMPANY**

	As at March 31, 2014		As at March 31, 2013	
	Numbers	%	Numbers	%
<b>a. Equity Shares</b>				
Clarence Investments Limited	12,886,599	25.17%	12,886,599	25.17%
Jagmi Investments Limited	5,175,000	10.11%	5,175,000	10.11%
Mauritius Debt Management Limited	7,450,000	14.55%	7,450,000	14.55%
Sampson Limited	4,000,000	7.81%	4,000,000	7.81%
TransAsia Investments And Trading Limited	8,000,000	15.63%	8,000,000	15.63%
<b>b. Preference Shares</b>				
India Debt Management Private Limited	512,398	74.52%	512,398	74.52%
A.M.Fadia - Trustee of SCL Preference Shares Trust [Refer Note 2 (b) (iv) above]	174,557	25.39%	174,557	25.39%

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                  ₹ in lacs

### 3 RESERVES AND SURPLUS

<b>Capital Reserve</b> - As per last Balance Sheet	<b>2,614.72</b>	2,614.72
<b>Capital Redemption Reserve</b> - As per last Balance Sheet	<b>50.00</b>	50.00
<b>Securities Premium Account</b> - As per last Balance Sheet	<b>10,566.71</b>	10,566.71
<b>Debenture Redemption Reserve</b> - As per last Balance Sheet	<b>2,060.00</b>	2,060.00
<b>Revaluation Reserve</b>		
As at the beginning of the year	<b>275.24</b>	330.56
Less: Transferred to the Consolidated Statement of Profit and Loss for Depreciation	<b>18.27</b>	55.32
As at the end of the year	<b>256.97</b>	275.24
<b>General Reserve</b> - As per last Balance Sheet	<b>4,377.97</b>	4,377.97
<b>Surplus / (Deficit)</b>		
<b>Debit balance in the Consolidated Statement of Profit and Loss</b>		
As at the beginning of the year	<b>10,960.17</b>	29,331.91
Less: Transferred from the Consolidated Statement of Profit and Loss	<b>2,089.80</b>	18,371.74
As at the end of the year	<b>(8,870.37)</b>	(10,960.17)
	<b>11,056.00</b>	8,984.47

As at  
**March 31, 2014**      As at  
March 31, 2013  
₹ in lacs                  ₹ in lacs

### 4 Long-term Borrowings

Secured

#### Debentures

12% Non-convertible Debentures - Under Corporate Debt Restructuring (CDR)

Numbers	Particulars	Face Value ₹ per Debenture			
		Current	Previous		
1,785,286	12% Public	25.00	45.00		
980,246	12% Public	25.00	45.00		
259,150	12% Public	50.00	90.00		
148,905	12% Public	50.00	90.00		
900,000	12% Private	25.00	45.00	<b>224.08</b>	1,120.41
<b>Term Loans</b>					
	From Banks			<b>331.93</b>	1,736.52
	From Others			<b>3,225.26</b>	8,589.55
				<b>3,557.19</b>	10,326.07
				<b>3,781.27</b>	11,446.48

#### 4.1 NOTES:

- A. The above reflect non-current portion only of the related borrowings and for the current maturity thereof refer Note 9 on "Other Current Liabilities".

**B. Security and Repayment Terms:**

	As at March 31, 2014		As at March 31, 2013	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
<b>I. Breakup of borrowings:</b>				
a. Public Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	179.08	716.33	1,987.78	968.41
b. Private Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	45.00	180.00	225.00	180.00
c. Term Loans from Banks - Under CDR	331.93	1,227.59	1,722.52	779.19
d. Term Loans from Banks - Others	Nil	14.00	14.00	41.08
e. Term Loans from Others-Financial Institutions Under CDR (including Funded interest term loans on Debentures)	250.27	873.84	924.85	382.62
f. Term Loans from Others - Under CDR (including Funded interest term loans on Debentures)	554.21	1,947.09	1,599.87	794.88
g. Term Loans from Others - Vehicle	11.83	11.62	23.45	10.41
h. Term Loans from Others - Others	2,408.95	2,540.06	4,949.01	2,540.06
	<u>3,781.27</u>	<u>7,510.53</u>	<u>11,446.48</u>	<u>5,696.65</u>

**II. Security:**

- Borrowings at part I (a) above is secured by way of pari-passu second mortgage in favour of the Trustees on the Holding Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific and first charge holders. The said debentures are also secured by personal guarantee of two Directors of the Holding Company.
- Borrowings at part I (b), (c), (e), (f) and (h) above are secured by way of *pari-passu* first mortgage in favour of the Trustees / lenders on the Holding Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on stocks, spares and book debts for securing borrowings for working capital (on which they have a second charge) and on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific charge holders. These borrowings [except I (h)] are also secured by personal guarantee of two Directors of the Holding Company.
- Borrowings at part I (d) and (g) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed there under of the Holding Company.
- All the aforementioned borrowings except part I (d) and (g) are further secured by hypothecation of 'Hathi' brand on *pari-passu* first charge basis and pledge of promoter shares in favour of the Trustees.

**III. Repayment Terms:**

- For Part I (a), (b), (c), (e) and (f), interest is payable by the Holding Company on ballooning basis ranging from 2% p.a. to 12% p.a. resulting into an average rate of interest of 8.5% p.a. For the current year, such interest is payable and provided at 12% p.a. The first year interest @ 2% has been funded as Funded Interest Term Loan (FITL-II). The repayment of outstanding principal is to be made over a period of 10 years including the initial moratorium of first three years. (i.e. payable from July 14, 2007 till April 14, 2015 on the 14th date after the end of each calendar quarter on ballooning basis ranging from 7.50% to 20% p.a.). 50% of the unpaid simple interest on all the loans was converted into FITL-I. Both, FITL I and II, do not carry interest and are repayable 25% in the 9th and 75% in the 10th year (i.e. payable from July 14, 2013 till April 14, 2015).

- b. The amount outstanding as at March 31, 2012, in respect of Part I (h) is repayable in 12 quarterly instalments of 5% each, commencing from June 30, 2012 and 4 quarterly instalments of 10% each, commencing from June 30, 2015.
- c. For Part I (a), (b), (c), (e) and (f);
- The Holding Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
  - The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
  - In the event of default in compliance of restructuring package, after the approval of CDR, the lenders have a right to convert 100% of the defaulted amount of the restructured debt into Equity Shares of the Holding Company, at any time during the currency of assistance, at a price to be determined as per SEBI Guidelines.
  - The lenders have the right to convert 20% of the loan outstanding (including FITL and WCTL) into Equity Shares of the Holding Company, at a price to be determined as per SEBI Guidelines in one or more occasions after 7 years from the date of approval. As regards zero coupon FITL, remaining outstanding beyond 7 years, such conversion right of lenders would be applicable to the entire amount and the conversion shall be at a price as per SEBI guidelines.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposits from Customers / Transporters	711.60	693.72
Loan from a Director - Unsecured	0.05	0.05
	<u>711.65</u>	<u>693.77</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>6 LONG-TERM PROVISIONS</b>		
For Employee Benefits - Gratuity and Compensated absences (Refer Note 36)	807.07	807.67
	<u>807.07</u>	<u>807.67</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>7 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	134.83	132.48
Others	439.69	440.74
	<u>574.52</u>	<u>573.22</u>

#### 7.1 Security:

The Working capital facilities are secured by first charge by way of hypothecation of current assets, namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both, present and future. It is also secured by second mortgage and charge on the Holding Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Holding Company. Of the above, a cash credit facility from a bank aggregating to ₹ 0.82 lacs (Previous Year ₹ 11.39 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.



As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 8 TRADE PAYABLES

Amounts Payable to a Related Party	149.10	29.92
Others	3,326.29	3,599.88
	<u>3,475.39</u>	<u>3,629.80</u>

8.1 "Others" includes dues to small and medium enterprises, which require the following disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

i. Principal amount remaining unpaid and interest thereon	3.12	5.83
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	0.01	0.01
iv. Interest accrued and remaining unpaid	0.01	0.01
v. Interest due and payable even in succeeding years	1.07	1.06

As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 9 OTHER CURRENT LIABILITIES

Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	896.33	896.33
Term Loans		
From Banks	1,241.59	820.27
From Other Parties	<u>5,372.61</u>	<u>3,980.05</u>
	7,510.53	5,696.65
Interest Accrued but not Due on Borrowings *	46.37	90.85
Unclaimed Share Application Money	14.77	14.77
Statutory Dues	2,125.10	1,569.58
Advances from Customers	1,890.21	955.06
Other Payables		
Creditors for Fixed Assets	77.75	Nil
Liabilities for Expenses at the year end	2,812.50	2,885.15
Others	<u>58.36</u>	<u>48.31</u>
	2,948.61	2,933.46
	<u>14,535.59</u>	<u>11,260.37</u>

9.1 \* Refer Note 4.1 (B) for security given.

As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 10 SHORT-TERM PROVISIONS

For Employee Benefits - Gratuity and Compensated Absences (Refer Note 36)	210.59	178.48
For Others - Year end Excise duty on Stocks and Wealth-tax	154.73	73.25
	<u>365.32</u>	<u>251.73</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS					₹ in lacs	
	Gross Block		Depreciation, Amortisation and Impairment		Net Block	
	As at April 1, 2013	Deductions / Additions March 31, 2014	Up to March 31, 2013	For the Year Adjustments March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>11 Fixed Assets</b> [Refer Note (i)]						
<b>Tangible Fixed Assets</b>						
Freehold land	239.08	-	-	-	239.08	239.08
Leasehold land	239.08	-	-	-	239.08	239.08
[Refer Note (ii)]	21.45	-	-	-	21.45	21.45
Buildings and Jetty	21.45	-	-	-	21.45	21.45
[Refer Note (iii)]	6,085.90	25.71	3,365.47	238.06	2,508.08	2,720.43
Plant and equipments	6,004.78	81.12	3,100.07	265.40	2,720.43	2,904.71
[Refer Note (iv), (v)]	45,413.25	419.03	29,297.63	1,632.25	14,485.22	16,115.62
Furniture and Fixtures	45,427.13	466.34	28,051.85	1,714.08	16,115.62	17,375.28
Vehicles	1,165.57	51.18	666.95	51.09	484.70	498.62
[Refer Note (vi)]	1,145.13	26.70	614.92	56.18	498.62	530.20
Office equipments	1,480.72	177.15	735.23	93.51	724.67	745.49
Railway siding, weighbridge, rolling stock and locomotives	1,311.67	321.27	714.52	83.53	745.49	597.14
	544.91	27.96	264.53	43.81	263.07	280.38
	433.94	140.79	253.04	38.17	280.38	180.87
	281.56	-	266.96	1.52	13.08	14.60
<b>Current Year</b>	281.56	-	264.58	2.38	14.60	16.98
<b>Previous year</b>	55,232.44	701.03	34,596.77	2,060.24	18,739.35	20,635.67
	54,864.74	1,036.22	32,998.98	2,159.74	20,635.67	
<b>Intangible Fixed Assets</b>						
Other than internally generated						
Goodwill	95.27	-	95.27	-	-	-
Computer softwares	99.03	139.68	65.89	39.42	133.40	133.40
<b>Current Year</b>	194.30	139.68	161.16	39.42	133.40	33.14
<b>Previous year</b>	192.09	2.21	149.34	11.82	33.14	
<b>Capital work-in-progress</b>						
<b>Tangible Capital WIP</b>						
[Refer Note (vii), (viii)]						
<b>Current Year</b>	8,341.11	554.28	1,983.01	507.07	5,909.51	6,358.10
<b>Previous year</b>	8,384.30	471.37	656.69	1,326.32	6,358.10	
<b>Intangible Capital WIP</b>						
Computer softwares						
<b>Current Year</b>	69.75	-	-	-	-	69.75
<b>Previous year</b>	-	69.75	-	-	-	69.75

### 11.1 NOTES:

- i. Gross Block includes ₹ 4061.10 lacs (Previous year ₹ 4345.89 lacs) added on revaluation of the Holding Company's free-hold and leasehold land, buildings, plant and machinery situated at Ranavav in order to reflect a realistic position of the net replacement cost of such assets, on the basis of valuation made by an external valuer, which had resulted in a net increase of ₹ 5722.61 lacs, as at June 30, 1993.
- ii. Besides the land specified above, the Holding Company holds other leasehold land for which the Holding Company pays only ground rent.
- iii. Buildings exclude cost of shares held in a Co-operative Society included under Note 12 of Non-current Investments.
- iv. Plant and equipments include cost of service line of ₹ 33.20 lacs (Previous Year ₹ 33.20 lacs), ownership of which is vested with Paschim Gujarat Vij Company Limited.
- v. Plant and equipments include cost of assets of ₹ 206.69 lacs (Previous Year ₹ 206.69 lacs), acquired under lease purchase agreements.
- vi. Vehicles include assets financed under hire purchase agreements.

	<b>As at March 31, 2014 ₹ in lacs</b>	<b>As at March 31, 2013 ₹ in lacs</b>
vii. Accounting of Fixed Assets and Borrowing Costs		
Capital work-in-progress includes pre-operative expenses, as under:		
a. Technical Consultancy	<b>320.40</b>	320.40
b. Employee Cost	<b>144.56</b>	144.56
c. Interest and Finance Cost	<b>3,104.18</b>	3,104.18
d. Traveling and Conveyance	<b>227.48</b>	227.48
e. Exchange Rate Fluctuation	<b>42.43</b>	42.43
f. Transportation Charges	<b>19.96</b>	19.96
g. Miscellaneous	<b>59.97</b>	59.97
	<b><u>3,918.98</u></b>	<u>3,918.98</u>

### viii. Impairment of Assets :

The Holding Company had incurred an aggregate sum of ₹ 7838.15 lacs (Previous Year ₹ 7901.66 lacs) towards Expansion Project Assets, and reflected under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased, civil work carried out and pre-operative expenses (including interest capitalised) as shown in Note 11 (vii) above. However, later on in the year 2005, due to several adversities, the project was suspended. At the year end, based on the assessment of the recoverable amount (net selling price) of the said suspended Project and civil works reflected under CWIP carried out by M/s Shinde Engineering Services, project consultants, the aggregate provision for impairment of ₹ 2490.08 lacs (Previous Year ₹ 1983.01 lacs), including ₹ 507.07 lacs (Previous Year ₹ 1326.32 lacs) for the year, is recognised as required under Accounting Standard 28 on "Impairment of Assets".

	As at	As at
	March 31, 2014	March 31, 2013
	₹ in lacs	₹ in lacs

## 12 NON-CURRENT INVESTMENTS

Long-term Investments

Valued at cost less provision for other than temporary diminution

Trade Investments

### In Equity Instruments of Subsidiaries

[excluded from Consolidation - Refer note 1.2 (i)]

Unquoted

(Fully paid equity shares of ₹ 10 each)

#### Quantity Investee company

1,49,272 Concorde Cement (Pvt.) Limited  
(Srilankan Rupee)

9.19

9.19

Less: Provision for diminution in value

9.19

9.19

Other than Trade

### In Equity Instruments of Others

Quoted

(Fully paid equity shares of ₹ 10 each)

870,500 MTZ Industries Limited (under  
suspension on stock exchange  
and hence, fully provided for)

435.25

435.25

2,285,912 Gujarat Sidhee Cement Limited

2,666.32

2,666.32

3,000,000 MTZ Polyfilms Limited

600.00

600.00

200 Dena Bank Limited

0.06

0.06

1 ACC Limited

0.01

0.01

1 Ultratech Cements Limited

0.01

0.01

1 Ambuja Cements Limited\*

-

0.00

1 India Cements Limited\*

-

0.00

1 JK Lakshmi Cements Limited\*

-

0.00

1 Mangalam Cements Limited\*

-

0.00

1 Prism Cements Limited\*

-

0.00

1 Shree Digvijay Cements Limited\*

-

0.00

1 Zuari Industries Limited\*

-

0.00

1 Zuari Agro Chemicals Limited\*

-

0.00

3,701.65

3,701.65

Less: Provision for diminution in value

2,203.73

2,203.73

1,497.92

1,497.92

\* Each Investment is less than ₹ 0.01 lac

Unquoted

Face Value

#### Quantity Investee company

₹ in lacs

10 IL-Palazzo CHS Limited

50

2,001 Rajkot Nagrik Sahakari Bank Limited

50

5,000 Saraswat Co-op Bank Limited

10

1.51

1.51

1,499.43

1,499.43

1,499.43

1,499.43

	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
	<b>₹ in lacs Cost</b>	<b>₹ in lacs Market Value</b>	<b>₹ in lacs Cost</b>	<b>₹ in lacs Market Value</b>
Aggregate amount of quoted investments *	<b>3,701.65</b>	<b>389.78</b>	3,701.60	46.50
Aggregate amount of unquoted investments	<b>10.70</b>	<b>Nil</b>	10.78	Nil
	<b>3,712.35</b>		3,712.38	
Aggregate provision on non current investments	<b>(2,212.92)</b>		<b>(2,212.92)</b>	

\* As at March 31, 2013 the Aggregate Market Value of quoted investments, does not include shares of Gujarat Sidhee Cement Limited which remained suspended on Bombay Stock Exchange and National Stock Exchange due to procedural reasons.

### **13 ACCOUNTING FOR TAXES ON INCOME**

In terms of paragraph 26 of Accounting Standard 22 on “Accounting for Taxes on Income”, the Holding Company has reviewed its Deferred Tax Asset (DTA) recognised till last year.

In terms of AS 22, the Holding Company recognised DTA on the basis of prudence only to the extent it would have sufficient future taxable income (by way of reduction in unabsorbed depreciation and / or carried forward business losses) against which the aggregate DTA recognised as on the Balance Sheet date would be realised. The Holding Company also recognized DTA in respect of the unabsorbed depreciation to the extent of deferred tax liability (DTL) for timing difference for depreciation.

At the year end, the Holding Company has recognised DTA of ₹ 1096.09 lacs (Previous Year ₹ 1332.36 lacs), i.e. to the extent of DTL for the timing difference on account of depreciation.

	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	<b>1,096.09</b>	1,332.36
<b>Deferred Tax Liabilities</b>		
Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 1956	<b>1,096.09</b>	1,332.36
<b>Deferred Tax Assets - Net</b>	<b>Nil</b>	Nil

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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#### 14 LONG-TERM LOANS AND ADVANCES

Unsecured - considered good

Capital Advances	374.41	388.69
Security Deposits	400.59	636.54
Other Deposits	355.20	355.20
Advance Recoverable in cash or kind or for value to be received	12.94	12.94
Other Loans and Advances		
Staff Advance	10.78	Nil
Taxes Paid (Net of Provision of ₹ 538.07 lacs, Previous year ₹ Nil)	195.65	145.22
(Refer Note 30)	206.43	145.22

Unsecured, Considered Doubtful

Intercompany Deposits	554.76	554.76
Less: Provision for Bad and Doubtful Deposits	554.76	554.76
	Nil	Nil
	<u>1,349.57</u>	<u>1,538.59</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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#### 15 OTHER NON-CURRENT ASSETS

Inventories

Stores and Spare Parts - (Refer Note below)	269.02	290.07
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Trade receivables

Outstanding for a period exceeding six months from the date they are due for payment

Considered Doubtful	201.79	193.57
Less: Provision for Bad and Doubtful Debts	201.79	193.57

Deposits with Banks

Nil

Maturity beyond 12 months from the Balance Sheet Date

Held as Margin Money	49.76	190.34
	<u>318.78</u>	<u>480.41</u>

##### 15.1 Note:

Inventories of stores and spare parts are for the plant which is not yet put up and therefore, are not expected to be used within a period of 12 months from the balance sheet date.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>16 INVENTORIES</b>		
Raw Materials	1,023.81	1,138.36
Packing Materials	149.63	147.06
Work-in-progress	466.07	861.09
Finished Goods	866.99	698.58
Fuels	1,726.31	2,027.92
Stores and Spare Parts	1,407.58	1,767.86
Stores and Spare Parts in transit	33.97	25.55
	<u>1,441.55</u>	<u>1,793.41</u>
	<u>5,674.36</u>	<u>6,666.42</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>17 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	327.26	376.35
Others	1,286.82	1,030.88
	<u>1,614.08</u>	<u>1,407.23</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>18 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	1,156.33	278.44
Fixed Deposits (Original maturity upto 3 months)	800.00	1,800.00
Cash on Hand	4.53	5.01
	<u>1,960.86</u>	<u>2,083.45</u>
Other Bank Balances		
Earmarked Balances with Banks	0.43	0.43
Deposits with Banks		
(Maturity below 12 months from the Balance Sheet Date)		
Held as Margin Money (Original maturity more than 12 months)	149.03	38.23
Others (Original maturity more than 3 months and upto 12 months)	1,950.00	1,300.00
	<u>2,099.03</u>	<u>1,338.23</u>
	<u>4,060.32</u>	<u>3,422.11</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 19 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good

Other Loans and Advances

Balances with Statutory / Government Authorities	377.91	465.25
MAT Credit Entitlement (Refer Note 30)	538.07	Nil
Taxes paid (net of provision)	35.35	33.28
Prepaid Expenses	95.25	91.58
Advances Recoverable in cash or in kind or for value to be received	110.40	119.63
Advances Against Purchase of Stores	292.28	323.70
	<u>1,449.26</u>	<u>1,033.44</u>

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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## 20 OTHER CURRENT ASSETS

Unsecured, considered good

Export Benefits Receivable

Receivable on Sale of Discarded Assets

Interest Receivable

Export Benefits Receivable	82.06	57.88
Receivable on Sale of Discarded Assets	201.84	Nil
Interest Receivable	81.87	252.36
	<u>365.77</u>	<u>310.24</u>

	For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 21 REVENUE FROM OPERATIONS

Sale of Products

Manufactured Goods

Traded Goods

Manufactured Goods	53,983.80	56,083.02
Traded Goods	4,057.34	2,939.66

	58,041.14	59,022.68
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Sale of Services

Other Operating Revenues

Sale of Power

Sale of Scrap

Export Entitlements

	Nil	241.90
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Sale of Power	128.22	333.34
Sale of Scrap	181.02	241.21
Export Entitlements	194.31	118.42

	503.55	692.97
--	--------	--------

	58,544.69	59,957.55
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	5,408.47	5,924.55
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	<u>53,136.22</u>	<u>54,033.00</u>
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### Details of Products Sold

Sale of Manufactured Goods

Cement

Clinker

Cement	50,609.15	55,230.79
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Clinker	3,374.65	852.23
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	<u>53,983.80</u>	<u>56,083.02</u>
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Sale of Traded Goods

Cement

Clinker

Cement	2,356.70	2,939.66
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Clinker	1,700.64	Nil
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	<u>4,057.34</u>	<u>2,939.66</u>
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For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 22 OTHER INCOME

Interest Income on		
- Fixed Deposits with Banks	168.02	139.51
- Fixed deposits with a State Financial Corporation	108.44	215.63
- Others	10.13	15.65
	<u>286.59</u>	<u>370.79</u>
Dividends Income from Long-term Investments - others	22.92	0.31
Rent Income	24.00	Nil
Miscellaneous Income (including overheads shared)	52.54	56.60
Insurance Claims	6.95	241.92
Profit on Sale of Fixed Assets (Net)	Nil	20.19
Bad Debts Recovered	Nil	4.30
Provision for Doubtful Debts no longer required	6.28	0.58
Excess Provision Written Back	83.01	204.79
Trade Payables Written Back	27.20	85.44
	<u>509.49</u>	<u>984.92</u>

For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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## 23 COST OF MATERIALS CONSUMED

Raw Materials		
Opening Stock of Raw Materials	1,138.36	335.63
Add: Purchases	1,922.45	2,719.86
	<u>3,060.81</u>	<u>3,055.49</u>
Less: Closing Stock of Raw Materials	1,023.81	1,138.36
	<u>2,037.00</u>	<u>1,917.13</u>
Packing Materials		
Opening Stock of Packing Materials	147.06	192.72
Add: Purchases	1,650.92	1,532.85
	<u>1,797.98</u>	<u>1,725.57</u>
Less: Closing Stock of Packing Materials	149.63	147.06
	<u>1,648.35</u>	<u>1,578.51</u>
	<u>3,685.35</u>	<u>3,495.64</u>
Details of Raw Materials Consumed		
Gypsum	635.35	647.52
Fly Ash	457.04	796.61
Iron Ore	235.09	255.62
Clinker Purchased	580.05	Nil
Others	129.47	217.38
	<u>2,037.00</u>	<u>1,917.13</u>



		For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>24 PURCHASES OF STOCK-IN-TRADE</b>			
Purchases of Traded Goods			
Cement		2,343.08	2,939.66
Clinker		1,640.74	Nil
		<u>3,983.82</u>	<u>2,939.66</u>
		For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
Stocks at the end			
Finished Goods - Cement	866.99		698.58
Work-in-progress - Raw Flour and Clinker	<u>466.07</u>		<u>861.09</u>
		1,333.06	1,559.67
Less: Stocks at the Beginning			
Finished Goods - Cement	698.58		874.41
Work-in-progress - Raw Flour and Clinker	<u>861.09</u>		<u>673.24</u>
		1,559.67	1,547.65
		<u>226.61</u>	<u>(12.02)</u>
Increase in Excise Duty on Stocks		<u>81.18</u>	<u>11.31</u>
		<u>307.79</u>	<u>(0.71)</u>
		For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>26 EMPLOYEE BENEFITS EXPENSE</b>			
(Refer note to Note 28)			
Salaries, Wages and Bonus		2,695.88	2,425.41
Contribution to Provident and Other Funds		152.36	145.50
Gratuity Expense		69.19	142.39
Staff Welfare Expenses		<u>85.89</u>	<u>110.97</u>
		<u>3,003.32</u>	<u>2,824.27</u>
		For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>27 FINANCE COSTS</b>			
Interest expense			
On Borrowings	1,322.06		2,116.47
On Others [including on rent arrears ₹ Nil (Previous Year ₹ 628.52 lacs) based on the Supreme Court order]	<u>312.55</u>		<u>1,216.54</u>
		1,634.61	3,333.01
Other Borrowing Costs		<u>2.36</u>	<u>5.26</u>
		<u>1,636.97</u>	<u>3,338.27</u>

	For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
<b>28 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3,730.59	3,433.68
Power and Fuel	15,321.92	15,082.55
Rent [including arrears ₹ Nil (Previous Year ₹ 383.24 lacs) based on the Supreme Court order]	236.86	528.26
Repairs and Maintenance:		
Buildings, etc.	267.01	229.68
Machinery	1,838.31	1,377.03
Others	495.38	355.49
	<b>2,600.70</b>	<b>1,962.20</b>
Insurance	118.28	121.03
Rates and Taxes	346.56	316.52
Raw Material Handling Charges [Refer Note (a) below]	565.78	403.93
Limestone / Marl Raising Charges [Refer Note (a) below]	747.61	665.71
Royalty and Cess [Refer Note (a) below]	964.57	897.45
Advertisement and Business Promotion Expenses	1,543.05	1,308.28
Freight and Handling Expenses	7,461.36	6,663.81
Commission	732.71	700.56
Directors' Fees	15.80	12.60
Charity and Donation	28.92	1.00
Traveling and Conveyance	180.63	190.11
Legal and Professional Charges	304.31	228.16
Net Loss on Foreign Currency Transactions and Translation	98.76	124.03
Auditor's Remuneration		
Audit Fees	7.33	7.33
Tax Audit Fees	2.65	2.65
For Other Services - Certification Work	3.95	5.30
Reimbursement of Expenses	Nil	0.30
	<b>13.93</b>	<b>15.58</b>
Provision for Doubtful Debts	14.49	11.06
Bad Debts Written Off	Nil	19.64
Less: Provision for Doubtful Debts Written Back	Nil	19.64
	<b>Nil</b>	<b>Nil</b>
Loss on Sale of Assets (Net)	240.45	Nil
Capital Work-in-progress Written Off	181.44	Nil
Miscellaneous Expenses	923.87	874.72
Cost of Cement Self Consumed [Refer Note (b) below]	(23.00)	(24.18)
	<b>36,349.59</b>	<b>33,517.06</b>

## 28.1 NOTES:

- a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) include expenses incurred on cost of raising and transporting limestone / marl, which are part of the raw materials, details of which are as under:
- |                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Salaries, Wages and Bonus            | 80.00           | 90.63           |
| Stores and Spare Parts Consumed      | 275.38          | 228.86          |
| Repairs and Maintenance to Machinery | 123.78          | 24.36           |
| Raw Material Handling Charges        | 435.21          | 227.10          |
| Limestone / Marl Raising Charges     | 747.61          | 665.25          |
| Royalty and Cess                     | 829.53          | 887.39          |
|                                      | <b>2,491.51</b> | <b>2,123.59</b> |
- b. Cost of cement self consumed also includes other material costs and depreciation.

	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹ in lacs	₹ in lacs

## 29 EXCEPTIONAL GAIN

Write Back on One Time Settlement (OTS) with Government of Gujarat (GoG)  
(Refer Note 29.1)

Nil 12,007.27

Interest Income on GSFS Deposit

Nil 2,693.18

Interest Write Back on Long Term Debt (Refer Note 29.1)

Nil 1,414.84

**Nil 16,115.29**

### 29.1 Note:

Write back is in respect of One Time Settlement (OTS) with the Government of Gujarat (GOG), of the outstanding dues as per Option II of the Government Resolution for OTS applicable to sick units under BIFR. Accordingly, the amounts lying as outstanding dues were written back in terms of remission given under OTS during the year ended March 31, 2013. The settlement covering a period of 18 months as per letter Ref IC/IM/BIFR/9351275/699695 dated May 17, 2012 of GOG, 2012 was successfully completed during the current financial year.

**30** In view of the carried forward losses and unabsorbed depreciation available, the Company is not liable to tax as per the normal provisions of the Income-tax Act, 1961. Further, as per the provisions of Minimum Alternate Tax (MAT) under Section 115JB of the Income-tax Act, 1961, the Company has provided for MAT during the year and to the extent of convincing evidence the same has been included under MAT Credit Entitlement and shown under "Short-term Loans and Advances" in Note 19.

	As at March 31, 2014	As at March 31, 2013
	₹ in lacs	₹ in lacs

## 31 CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent liabilities: (to the extent not provided for)

a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 432.57 lacs, previous year ₹ 388.69 lacs).	<b>709.49</b>	332.79
b. Matters under disputes / appeals :		
Disputed demand of Income Tax Authorities against Subsidiary Companies	<b>0.47</b>	0.47
Sales Tax liabilities	<b>435.67</b>	435.67
Excise Duty	<b>296.71</b>	296.71
Service Tax	<b>105.00</b>	106.16
Royalty	<b>15.12</b>	15.12
Customs Duty	<b>269.89</b>	4.05
Road Tax	<b>26.54</b>	26.54
Claims filed by workmen or their union against the Holding Company	<b>145.39</b>	373.89
On account of Power Supply	<b>440.99</b>	440.99
Other demands and claims against the Holding Company not acknowledged as debts	<b>20.55</b>	20.55

The amounts stated are including interest and penalty, to the extent demanded.

- c. The operation of a show cause notice dated August 20, 2002 issued by the Jute Commissioner, stipulating the Holding Company to fulfill the obligation of packing a minimum of 50% of cement in jute bags from March 15, 1995 or pay penalty under Section 3 (1) of the Jute Packing Materials (Compulsory use in Packing Commodities) Act, 1987 is presently stayed by Calcutta High Court, the amount of which is not ascertainable.

ii. Commitments:

The Holding Company has guaranteed a minimum cargo handling of 500,000 M.T from April to March each year at its jetty at Porbander, under the license agreement entered with Gujarat Maritime Board for a period of 15 years from the day Jetty became operational. The failure of such commitment shall make the Holding Company liable to pay the wharfage charges for the remaining cargo at the prevailing wharfage rates. During the year (as also in the previous year) the Holding Company has handled cargo in excess of the minimum requirement.

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- 32** The accumulated arrears of preference dividend unprovided for the period from November 2000 till the balance sheet date amounted to ₹ 1192.39 lacs (Previous year ₹ 1103.91 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.

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- 33** The Holding Company was registered as a Sick Industrial Company with the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR, vide its order dated June 1, 2012 has formulated and circulated a Sanctioned Rehabilitation Scheme (SS-12) for revival of the Holding Company, inter-alia providing relief and concessions from various agencies including reduction / waivers of interest (including default interest, penal interest and penalties). The Scheme as approved is presently under implementation. The Sanctioned Scheme envisages the following;

- i. Lenders covered under Scheme of Compromise and Arrangement u/s 391 to 394 of Companies Act, 1956 to be paid as per the CDR Scheme / Scheme of Compromise u/s 391 to 394 of Companies Act, 1956.
- ii. For loans from India Debt Management Private Limited not covered in (i) above, the interest rate has been reset to 12% simple interest with effect from April 1, 2010 and the entire amount outstanding as on March 31, 2012 to be repaid over a period of four years.
- iii. Promoters and their associates to infuse fresh equity of ₹ 1800 lacs.

Since the net worth of the Holding Company is positive, it is no longer a Sick Industrial Company, and implementation of sanctioned Corporate Debt Restructuring (CDR) Scheme, the Consolidated Financial Statements are prepared on a going concern basis.

- 
- 34** Expenses on maintenance, etc. incurred during the year for a guest house at Mumbai amounting to ₹ 7.71 lacs (Previous year ₹ 5.99 lacs) have been presently borne by the Holding Company. The guesthouse was under the unauthorised occupation of relatives of the ex-chairman. The Holding Company had filed a suit for recovery of the possession of the guest house, which also includes recovery of expenses incurred. The said suit was decided against the Holding Company by declaring legal heirs of the ex-chairman as tenants. The Holding Company has preferred an appeal before the Division Bench against the said order, which is pending.

However, since the date of the Balance Sheet, under the process of sale through tender, on as is where is basis, a letter of acceptance to the successful bidder for the said guest house has been issued.

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

### 35 ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT AND LOSS

i.	Value of imports calculated on CIF basis		
a.	Components and Spare Parts	177.30	494.11
b.	Capital Goods	101.08	25.55
ii.	Expenditure in Foreign Currency		
a.	Traveling Expenses	2.65	7.26
b.	Sea Freight and Demurrage	57.16	7.93
c.	Professional Fees	3.58	1.09
d.	License / Registration of Trade Mark Fees	16.89	13.74
e.	Others	10.78	5.01

		For the Year ended March 31, 2014		For the Year ended March 31, 2013	
		₹ in lacs	%	₹ in lacs	%
iii.	Value of Imported / Indigenous Consumption				
	Raw Materials - Indigenous	4,528.51	100.00%	4,040.72	100.00%
	Spare Parts and Components				
a.	Imported	493.51	13.92%	387.81	6.89%
b.	Indigenous *	3,050.58	86.08%	5,239.17	93.11%
*	Includes amounts directly debited to various account heads	3,544.09	100.00%	5,626.98	100.00%
iv.	Earnings in Foreign Currency				
a.	Exports on FOB basis	13,758.88		9,484.81	
b.	Despatch money on Export of Goods	62.64		32.45	

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
	<b>Compensated Absences</b>		<b>Gratuity</b>	
<b>36 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	276.04	244.12	713.99	648.22
Current Service Cost	16.39	14.39	31.57	29.47
Interest Cost	22.08	20.75	57.12	55.10
Actuarial (Gain) / Loss on obligations	(9.79)	39.66	(22.62)	57.46
Benefits paid	(9.88)	(42.88)	(50.81)	(76.25)
Present value of Obligation as at the end	294.84	276.04	729.25	714.00
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning	Not Applicable		3.88	3.92
Expected return on Plan Assets	Not Applicable		0.33	0.33
Contributions	Not Applicable		53.00	76.00
Benefits paid	Not Applicable		(50.81)	(76.25)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		0.03	(0.11)
Fair value of Plan Assets as at the end	Not Applicable		6.43	3.89
<b>iii. The amount recognised in Consolidated Balance Sheet</b>				
Gross value of present Obligation at the end	294.85	276.04	729.25	713.99
Fair Value of Plan Assets at the end	Nil	Nil	6.44	3.88
Net (Liability) recognised in Consolidated Balance sheet	294.85	276.04	722.81	710.11
<b>iv. Amount recognised in the Consolidated Statement of Profit and Loss</b>				
Current Service Cost	16.39	14.39	31.57	14.39
Interest Cost	22.08	20.75	57.12	20.75
Expected return on Plan Assets	Nil	Nil	(0.33)	Nil
Net actuarial (Gain) / Loss recognised in the year	(9.79)	39.66	(22.66)	39.66
Expenses Recognised in the Consolidated Statement of Profit and Loss	28.69	74.80	65.70	74.80
<b>v. Category of Assets</b>				
Insurer Managed Funds	Not Applicable		6.44	3.88
<b>vi. Assumptions</b>				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	9.25%	8.00%	9.25%	8.00%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		8.50%	8.50%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
<b>vii.</b> The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.				
<b>viii.</b> The Holding Company expects to contribute a sum of ₹ 103.96 lacs (Previous year ₹ 88.75 lacs) towards gratuity during the year ended March 31, 2015.				

- ix. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical return on the plan assets.

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
<b>Particulars</b>		
Experience Adjustments		
On plan liability (gain) / loss	24.95	38.19
On plan assets gain	0.03	(0.11)
<b>Present value of benefit obligation</b>	<b>729.25</b>	713.99
Fair value of plan assets	6.44	3.88
Excess of obligation over plan assets	722.81	710.11

	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
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### 37 SEGMENT REPORTING

The Holding Company has only one business segment 'cement / clinker' as primary segment. The secondary segment is geographical segment which is given below :

Domestic revenues (net of excise duty)	38,873.79	43,613.32
Exports - International markets	13,758.88	9,484.81
Total	<u>52,632.67</u>	<u>53,098.13</u>

All the assets of the Holding Company are in India only.

### 38 RELATED PARTY DISCLOSURES

#### List of related parties:

- i. Enterprises under control, or are controlled by, or under common control, with the reporting enterprise are :

a. Jagmi Investment Limited	k. Sumaraj Holdings Private Limited
b. Fawn Trading Co. Pvt. Limited	l. Clarence Investments Limited
c. Fern Trading Co. Pvt. Limited	m. TransAsia Investment & Trading Limited
d. Willow Trading Co. Pvt. Limited	n. Sampson Limited
e. Tejashree Trading Co. Pvt. Limited	o. Villa Trading Co. Pvt. Ltd.
f. Pallor Trading Co. Pvt. Limited	p. Aber Investments Limited
g. The Mehta International Limited	q. Galaxy Technologies Private Limited
h. Mehta Private Limited	r. Mehta Sports Private Limited
i. Sameta Exports Pvt. Limited	s. The Sea Island Investments Limited
j. Sunnidhi Trading Private Limited	t. Parsec Consultancy Private Limited

- ii. Subsidiary Companies :

- a. Concorde Cement P. Limited

- iii. Key Management Personnel :

- a. Mr. Jay M Mehta – Executive Vice Chairman  
b. Mr. M S Gilotra - Managing Director

iv. Relatives of Key Management Personnel with whom Transactions have taken place:

- a. Mr. Mahendra N Mehta - Father of Mr. Jay M Mehta
- b. Mrs. Narinder Kaur - Wife of Mr. M S Gilotra
- c. Mr. Amandeep Singh Gilotra - Son of Mr. M S Gilotra

v. Enterprise having Key Management Personnel in common:

- a. Gujarat Sidhee Cement Limited

For the Year ended March 31, 2014	For the Year ended March 31, 2013
₹ in lacs	₹ in lacs

## TRANSACTIONS WITH RELATED PARTIES:

i. Payments to Key Managerial Personnel:		
a. Remuneration to Mr. Jay M Mehta	88.64	36.58
b. Remuneration to Mr. M S Gilotra	138.38	120.05
ii. Payments to relatives of Key Managerial Personnel:		
a. Directors sitting fees to Mr. Mahendra N Mehta	0.80	0.20
b. Security Deposit to Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
c. Rent to Mrs. Narinder Kaur	4.45	1.20
iii. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of Goods and materials	4,621.54	2,948.45
b. Sale of Goods and materials	27.42	201.91
c. Expenses / (Recovery) for services (net)	(46.94)	(34.14)
d. Amount payable as at the end of the year	149.10	29.92

As at March 31, 2014	As at March 31, 2013
₹ in lacs	₹ in lacs

## 39 OUTSTANDING LEASE DISCLOSURES

Cost of machinery acquired under finance leases	206.69	206.69
Net carrying amount at the Balance Sheet date	75.16	98.54
Lease rent payable obligation in future	Nil	Nil



For the Year ended March 31, 2014 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs
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#### 40 EARNINGS PER SHARE

Weighted average number of equity shares of ₹ 10 each	<u>51,191,065</u>	<u>51,191,065</u>
Net Profit for the year	<b>2,089.80</b>	18,371.73
Less: Dividend payable to OCCPS holders (Refer Note 2 b)	<b>89.39</b>	89.39
Net Profit available to equity shareholders	<u><b>2,000.41</b></u>	<u>18,282.34</u>
Basic and diluted earnings per share (in Rupees)	<u><b>3.91</b></u>	<u>35.71</u>

#### 41 FINANCIAL INSTRUMENTS: DISCLOSURES

Details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are:

	As at March 31, 2014		As at March 31, 2013	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
Advances from Customers	<u>1,105,469</u>	<u>667.04</u>	<u>39,699</u>	<u>21.69</u>

#### 42 Previous Year's figures have been regrouped / reclassified to conform to the current year's presentation.

As per our Report of even date attached  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 30, 2014

#### For and on Behalf of the Board of Directors

<b>M. N. Mehta</b>	<i>Chairman</i>
<b>Jay M. Mehta</b>	<i>Executive Vice Chairman</i>
<b>M. N. Rao</b>	<i>Director</i>
<b>M. S. Gilotra</b>	<i>Managing Director</i>
<b>V. R. Mohnot</b>	<i>Director (Finance) &amp; Company Secretary</i>

Mumbai, Dated May 30, 2014

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1. Name of the Subsidiary	Pranay Holdings Ltd.	Prachit Holdings Ltd.	Ria Holdings Ltd.	Reeti Investments Ltd.	Agrima Consultants International Ltd.	*Concorde Cement Pvt. Ltd.
2. Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
3. Holding Company's interest						
(i) No. of equity shares	1,00,00,000 Equity shares of ₹ 10/- each	1,00,00,000 Equity shares of ₹ 10/- each	1,00,00,000 Equity shares of ₹ 10/- each	40,00,000 Equity shares of ₹ 10/- each	4,04,100 Equity shares of ₹ 10/- each	1,49,274 Equity shares of SLR. 10/- each
4. The net aggregate amount of Subsidiary's Profit / (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts						
(i) For the Current Financial Year (₹ in Lacs)	7.23	7.25	7.25	0.42	2.60	-
(ii) For the previous financial years since it became a subsidiary (₹ in Lacs)	(410.44)	(417.74)	(412.38)	(390.00)	(170.37)	-
5. Net aggregate amount of Profit / (Losses) of the subsidiary which has been dealt with in the accounts of the Holding Company						
i) For the Current Financial Year (₹ in Lacs)	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Previous Financial Years since it became a subsidiary (₹ in Lacs)	Nil	Nil	Nil	Nil	Nil	Nil
6. Material changes between the end of the financial year of the subsidiaries and that of Saurashtra Cement Limited						
(i) Fixed Assets	-	-	-	-	-	-
(ii) Investments	-	-	-	-	-	-
(iii) Loans and Advances	-	-	-	-	-	-
(iv) Monies borrowed by the subsidiary company other than for meeting current liability	-	-	-	-	-	-

Note: \* Yet to commence operation

### For and on Behalf of the Board of Directors

<b>M. N. Mehta</b> Chairman	<b>Jay M. Mehta</b> Executive Vice Chairman
<b>M. N. Rao</b> Director	<b>M. S. Gilotra</b> Managing Director
<b>V. R. Mohnot</b> Director (Finance) & Company Secretary	

Place: Mumbai  
Dated: May 30, 2014

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AS REQUIRED VIDE CIRCULAR NO.2/2011 DATED 8.2.2011 FROM MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA FOR THE YEAR ENDED 31ST MARCH 2014.**

In view of the above, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached to this Balance Sheet of the Holding Company. Financial information of the subsidiary companies as required by the above circular, are given herein below :

Sr. Particulars No.	Pranay Holdings Ltd.	Prachit Holdings Ltd.	Ria Holdings Ltd.	Reeti Investments Ltd.	Agrima Consultants International Ltd.	*Concorde Cement Pvt. Ltd.
a. Capital	1,000.00	1,000.00	1,000.00	400.00	40.41	9.19
b. Reserves and Surplus	(403.22)	(410.48)	(405.14)	(389.58)	(161.01)	-
c. Total Assets	597.74	591.52	595.47	51.12	75.07	-
d. Total Liabilities	597.74	591.52	595.47	51.12	75.07	-
e. Investments (Net)	476.58	478.19	478.17	50.43	0.25	-
f. Turnover	-	-	-	-	-	-
g. Profit before Tax	7.23	7.25	7.25	0.42	3.20	-
h. Tax	-	-	-	-	0.61	-
i. Profit After Tax	7.23	7.25	7.25	0.42	2.60	-
j. Proposed Dividend	Nil	Nil	Nil	Nil	Nil	-

Note : \*Yet to commence operation

The annual accounts of the subsidiary companies and the related detailed information is available to the Holding companies investors, seeking such information.

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

<b>M. N. Mehta</b>	<i>Chairman</i>
<b>Jay M. Mehta</b>	<i>Executive Vice Chairman</i>
<b>M. N. Rao</b>	<i>Director</i>
<b>M. S. Gilotra</b>	<i>Managing Director</i>
<b>V. R. Mohnot</b>	<i>Director (Finance) &amp; Company Secretary</i>

Place: Mumbai

Dated: May 30, 2014

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