









# Saurashtra Cement Limited

## Corporate Office

N K Mehta International House, 2nd Floor,  
178 Backbay Reclamation, Mumbai 400 020  
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E scl-mum@mehtagroup.com  
CIN : L26941GJ1956PLC000840

## FORM A

1.	Name of the Company	Saurashtra Cement Limited.
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit Observation	Nil
4.	Frequency of Observation	N.A.
5.	To be signed by-	<div> <div> • Managing Director </div> <div> M. S. Gilotra   </div> </div> <div> <div> • CFO </div> <div> Rakesh H. Mehta   </div> </div> <div> <div> • Auditor of the Company </div> <div> For Bansi S. Mehta &amp; Co., Chartered Accountants Firm Regn. No. 100991W     Paresh H. Clerk Partner M.No. 36148 </div> </div> <div> <div> • Audit Committee Chairman </div> <div> M. N. Rao   </div> </div>

Dated : 31/08/15



Regd. Office & Works  
Near Railway Station, Ranavav 360 560  
Gujarat, India



Saurashtra Cement  
Limited

57th  
ANNUAL  
REPORT  
2014-15



## BOARD OF DIRECTORS

**As on 14.05.2015**

Mr. M. N. Mehta	Chairman
Mr. Jay M. Mehta	Executive Vice Chairman
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	<i>Special Director - BIFR</i>
Mr. M. S. Gilotra	Managing Director

### **Chief Financial Officer**

Mr. Rakesh H. Mehta

### **Vice President (Legal) & Company Secretary**

Mrs. Sonali Sanas

### **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.saurashtracementlimited.com](http://www.saurashtracementlimited.com)

## DIRECTORS' REPORT

### DEAR MEMBERS,

The Directors present the 57th Annual Report, Audited Accounts and Auditors Report for the Financial Year ended on the 31st of March, 2015.

### FINANCIAL RESULTS

The highlights of the financial results for the Financial year ended 31st of March 2015 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current Financial Year 2014-2015	Previous Financial Year 2013-14	Current Financial Year 2014-2015	Previous Financial Year 2013-14
Revenue from Operation and Other Income (Net of Excise)	5699.14	5359.69	5700.37	5364.57
Profit before interest, depreciation and exceptional items.	965.76	628.82	966.06	631.58
Finance Cost	133.76	163.70	133.76	163.70
Profit/(Loss) before depreciation	832.00	465.12	832.30	467.88
Depreciation & Impairment	348.62	258.62	348.79	258.84
Profit/(Loss) before exceptional items and Deferred Tax Assets	483.38	206.50	483.51	209.04
Exceptional Item	308.96	Nil	308.96	Nil
Tax Expense	(208.52)	Nil	(208.57)	0.06
Deferred Tax Adjustment	92.18	Nil	92.18	Nil
Profit/(Loss) after tax	676.00	206.50	676.08	208.98
Brought forward Profit/(Loss) from earlier years	(867.03)	(1073.53)	(887.04)	(1096.02)
Balance of Profit / (Loss) carried to Balance Sheet	(191.03)	(867.03)	(210.96)	(887.04)

### THE YEAR UNDER REVIEW

The economy and cement production showed signs of improvement. The cement production during 2014-15 grew by about 5.6 percent as against less than 4 percent during the previous year.

Similarly, consumption of cement in our home market of Gujarat increased by about 6 percent resulting in improved sales and prices, profitability as compared to the previous year. The international prices of coal were lower than previous year. However the taxes by way of Royalties on minerals, excise duties and sales tax continued to be high and further increased in the budget of 2014-15. Additional Customs duty and CVD was also imposed on coal imports.

### PERFORMANCE REVIEW

#### Production and Sales

The production of clinker for the year ended March 2015 was 1.32 million tonnes, which is 107 percent of the rated capacity of the production unit and is also more than clinker production of 1.31 million tonnes for the year ended in March, 2014. The cement production for the year ended March, 2015 was 1.47 million tonnes, which is higher by 11 percent than the cement production of 1.33 million tonnes in the previous year ended in March 2014.

The overall sale (cement and clinker) during the year ended March 2015 was 1.48 million tonnes, which is higher than the overall sale of 1.46 million tonnes in the previous year ended in March 2014.

#### Exports

The export of cement for the year ended March 2015 was 0.207 million tonnes, which is almost similar to 0.213 million tonnes during the previous year ended in March 2014. However, the export of clinker was nil as compared to the previous year of 0.193 million tonnes.

### DIVIDEND

In view of the carry forward losses, your Directors do not recommend any Dividend for the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Consolidated Financial Statements

As required under Clause 32 of the Listing Agreement with the Stock Exchange and Section 136 of the Companies Act, 2013, 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 forms a part of the Annual Report.

The Consolidated Net Profits of the Company and its subsidiaries amounted to ₹ 6760.82 lacs for the Financial year ending 31st March, 2015.

### SUBSIDIARY COMPANIES

The Company has five subsidiaries.

Section 136 of the Companies Act 2013 has exempted the listed companies from attaching the financial statements of the Subsidiary companies to the Annual Report of the company.

In accordance with Section 129(3) of the Companies Act, 2013 read with the rules made thereunder; statement containing the salient features of the Financial Statement of the Company's Subsidiary Companies is disclosed separately in this Annual Report under Form AOC 1.

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. The statements are also available at the website of the company at <http://scl-mehtagroup.com/investors/financials>.

### 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 statements in terms of Section 134 (3) (c) of the Companies Act, 2013.

- (a) that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;
- (b) that the accounting policies as mentioned in Note No.1 to the Financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 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 a part of this Report as **Annexure B**.

The Company is committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms an integral part of this Report. Also a certificate of Compliance from the Auditors of the Company confirming compliance with the conditions of Corporate Governance forms a part of this Report. A declaration by CEO and CFO that Board and senior members have complied with the Code of Conduct of the Company also forms a part of this Report.

### RELATED PARTY TRANSACTIONS

All related party transactions are on arms length basis at prevailing market prices. The other details as required under Clause 49 of the Listing Agreement and Section 134 (3) of the Companies Act, 2013 as detailed in the Corporate Governance report.

## Particulars of Contracts or Arrangements with Related Parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto is Annexed herewith at **Annexure C** in Form No. AOC-2.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has been committed towards various social measures and has taken initiatives to cater to the needs of the society. Pursuant to introduction of Section 135 of the Companies Act, 2013 and the rules made thereunder the Company has constituted a CSR committee.

The Board of Directors have based on the recommendation of the committee, formulated a Corporate Social Responsibility Policy for welfare of the society. The policy is available at the following link: <http://scl.mehtagroup.com/policy/csr-policy>.

In view of the carry forward losses, the Company was not required to spend on the Corporate Social Responsibility activities under Section 135 of the Companies Act, 2013.

The constitution and functions of the Corporate Social Responsibility Committee are provided under the Corporate Governance Report.

Company has taken certain initiatives under Corporate Social responsibility (though not required under Section 135 of the Companies Act, 2013) and the same have been detailed under the Management Discussion and Analysis Report.

## RISK MANAGEMENT

A formal Risk Management System is being implemented on an Enterprise Risk Management (ERM) as a part of strengthening and institutionalizing the decision making process and monitoring the exposures that are faced by the Company.

Managing Risk is a skill that is sought to be strengthened through this process and an effort at making decision making more consistent in a way that the business objectives are met most of the times. The ERM process seeks to provide greater confidence to the decision maker and thus enhance achievement of Objectives.

Pursuant to the requirements of Clause 49 of the Listing Agreement the Company has constituted a Risk Management Committee and has also adopted a Risk Management Policy, the constitution of the committee along with principles pertaining to the management of risk are set out in the Corporate Governance Report of the Company.

## DIRECTORS AND KEY MANAGEMENT PERSONNEL

### Appointment

During the year, India Debt Management Private Limited nominated Mr. Navin Sambtani (DIN: 01811472) as their Nominee on the Board of the Company who was appointed as a Nominee Director with effect from 6.11.2014.

### Cessation of Directors

Mr. Denys Firth (DIN: 00031942) and Mr. Susheel Kak (DIN:03612592) Nominee Directors of India Debt Management Private Limited (IDM) resigned from the Board of the Company as IDM had withdrawn their nomination during the year and ceases to be the Directors.

Mr. Alexander Shaik (DIN: 00031975) and Mr. Navin Sambtani (DIN:01811472) Nominee Directors of India Debt Management Private Limited (IDM) resigned from the Board of the Company as IDM had withdrawn their nomination with effect from 12th May, 2015 and ceases to be the Directors as the Company has repaid all outstanding dues to IDM under various loans and other debt instruments.

The Board has placed on record its appreciation for the contribution made by the above Directors.

### Reappointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemnabh Khatau (DIN: 02390064), will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. Brief resume of Director seeking 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 Board of Directors at its meeting held on 14th May, 2015, has reappointed Mr. Jay Mehta as Executive Vice Chairman and Mr. M. S. Gilotra as Managing Director for a further period of five years from 1st January, 2016 to 31st December, 2020 and remuneration payable over a period of 3 years from 1st January, 2016 to 31st December, 2018, subject to the approval of the Members and the Central Government.

The resolutions seeking approval of the Members for the appointment and remuneration of Mr. Jay Mehta and Mr. M. S. Gilotra have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company along with brief details about them.

The Board recommends their re appointments.

#### **Board Evaluation :**

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

#### **Declaration by Independent directors**

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Appointment / Change in Key Management Personnel :**

Mr. M. S. Gilotra, Managing Director of the Company was also designated as Key Managerial Personnel with effect from 1st October, 2014.

Mr. Rakesh Mehta was appointed as Chief Financial Officer of the Company with effect from 1st October, 2014.

Ms. Anupama Pai was appointed as Vice President (Legal) and Company Secretary of the Company with effect from 1st October, 2014 and resigned with effect from 30th November, 2014.

Ms. Sonali Sanas was appointed as Vice President (Legal) and Company Secretary of the Company with effect from 2nd March, 2015.

#### **AUDITORS AND AUDITORS REPORT**

##### **Statutory 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, 2013 who are eligible for re-appointment are recommended for re-appointment to audit the Accounts of the Company for the Financial Year 2015-16. As required under the provisions of the Companies Act, 2013, the Company has received written confirmation from M/s. Bansi S. Mehta & Co, Chartered Accountants that their appointment, if made, will be in conformity with the limits specified in the Section 143(1)(g) of the Companies Act, 2013.

##### **Secretarial Auditors**

M/s Ragini Chokshi & Company, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2014-15. The report of the Secretarial Auditor is annexed as **Annexure D** to this report.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s. Ragini Chokshi & Company, Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2015-16.

##### **Tax Auditors**

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Bansi S. Mehta & Co, Chartered Accountants to carry out the Tax Audit for the Assessment Year 2015-16.

##### **Internal Auditors:**

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Haribhakti & Co. LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2015-16.

##### **Cost Auditors**

In accordance with the provisions of Section 148 of the Companies Act, 2013, M/s. V. J. Talati & Co, Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2015-16 and a certificate of eligibility under Section 148 of the Companies Act, 2013 has been received.

#### **DISCLOSURES:**

##### **Audit Committee**

The Company has an Audit Committee and details of its constitution, terms of reference are set out in the Corporate Governance Report.

## **Nomination & Remuneration Committee and Policy**

The Company has a Nomination & Remuneration Committee and has also adopted Nomination & Remuneration Charter and Remuneration/Compensation Policy. The constitution of the Committee along with the terms of reference to the Committee and are set out in the Corporate Governance Report.

## **Vigil Mechanism**

The Company has established a Vigil Mechanism / Whistle Blower Policy and the directors and employees of the Company can approach the Audit Committee when they suspect or observe unethical practices, malpractices, non-compliances of company policies.

## **Number of Board Meetings**

During the year under review, four meetings of the Board of Directors were held on 30th May, 2014, 4th August, 2014, 6th November, 2014 and 9th February, 2015.

## **Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3) of the Companies Act, 2013 are provided in **Annexure E** forming a part of this Report.

## **Extract of the Annual Return**

The extract of the Annual Return in Form No. MGT - 9 forms a part of this report as **Annexure F**.

## **Particulars of Employees**

The disclosures in terms of the provisions of Section 197 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms a part of this report as **Annexure G**.

## **Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place, a formal policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace. Detailed note is set out in the Corporate Governance report.

There were no cases filed under this act during this financial year.

## **GENERAL**

### **Listing of Equity Shares**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid up to 31st March, 2016.

### **Staff Relations**

Industrial relations at our Factory and Offices remained cordial.

### **Deposits**

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

There are no deposits unpaid or unclaimed as at the end of the year.

There has been no default in repayment of deposits or payment of interest thereon during the year.

### **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 : 14th May, 2015

**M. S. Gilotra**

Managing Director

**Jay Mehta**

Executive Vice Chairman



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Development**

The Indian Cement Industry with an installed capacity of around 360 million tonnes has registered a cumulative growth in production at around 6 percent during the period April 2014 to March 2015 as against around 3 percent during the corresponding period of last year. The cumulative growth for the eight core industries, which comprise nearly 38 percent of the weight of items in the IIP (coal, crude oil, natural gas, refinery products, fertilisers, steel, cement & electricity) is 3.5 percent during the period April 2014 to March 2015 as against 2.6 percent during the corresponding period of last year. The surplus capacity available in the states of Gujarat & Rajasthan and the lower export volumes due to unrenumerative prices are the two major factors affecting the sustained profitability of cement companies in the state of Gujarat. The entry of new manufactures and consolidation of existing players is resulting in high price volatility and variations in prices are experienced very frequently in different regions and different periods of time.

### **Future Outlook**

With the stable political scenario and the Government's determination to bring in reforms, gradual increase in economic activity is expected with major infrastructure projects. Cement and construction materials are critical for the housing need of the population and for the basic infrastructure like roads, bridges, schools, hospitals, airports and many other facilities. The medium term to long term future of the cement industry is optimistic and positive. However, due to addition of new plants with large capacities, the capacity utilization is likely to be on the lower side and old plants with less efficient process and machinery is likely to experience fierce competition in the market places. 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 cement consumption growth in the state of Gujarat is likely to be maintained and is expected to give ample opportunities for growth in the cement industry.

With the government policy of deregulating the sale of diesel oil is likely to affect the cost delivery, though it is favorable as of now due to the fall in international price of crude. The rail freight continued to be high and the transportation by rail is unviable. The infrastructural constraints and high cost of handling of cement at public ports continue to pose threats to the sustainability and stability of the industry in Gujarat.

The environment regulations are already amended, where the emission levels are drastically reduced in line with the norms achieved in the equipments with latest technology and design. This calls for substantial additional investments in a short span of time to upgrade the pollution control equipments with that of latest design and technology.

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 small quantities clinker, which is the 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 is resulting in very volatile market conditions and profitability of cement business. The escalation of input costs, cost of delivery and the high rates of government levies (royalty of limestone, 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 recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations.

The business environment is rapidly changing, bringing in its own set of opportunities and challenges. The shifting environments of the businesses demand the need to prepare our current and future leaders to face and overcome such business adversities and opportunities.

In view of manpower 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**

Your Company firmly believe in commitment to all stakeholders and is aware of its commitment to local communities for ensuring sustainable development. Therefore, your company lay high emphasis on understanding the requirements of the local community and embark on initiatives, expending considerable resources, which create long-term societal benefits.

Your company takes utmost care in the selection of community interventions we initiate. The prime endeavor is to remain focused on creating long-term wealth creation for all local community members irrespective of their gender, ethnic and religious backgrounds.

## **Health Care**

The 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. Your company continues to contribute towards the Medical Centre and occupational health services.

## **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. Your company also provides extra coaching classes to the under – privileged students near and around Ranavav.

## **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. Your company has planted more than one lac trees in last one decade with survival rate of more than 80%. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

## **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

**M. S. Gilotra**  
Managing Director

**Jay Mehta**  
Executive Vice Chairman

Place : Mumbai  
Dated: 14th May, 2015

## **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 2015 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.

Securities and Exchange Board of India (SEBI) have amended 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.

The amended norms are aligned with the provisions of the Companies Act, 2013, and are 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 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. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchange/s.

### **1.1 GOVERNANCE STRUCTURE:**

Your Company's governance structure broadly comprises the Board of Directors and the Committees of the Board and the Management structure.

#### **(a) Board of Directors:**

The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board plays a primary role to protect the interest of the Company and enhance value of all the stakeholders.

#### **(b) Committees of Directors:**

With a view to have more transparency on various areas of the business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship & Grievances Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee. These Committees are focused on financial reporting, audit & internal controls, resolving the grievances of stakeholders, appointment and remuneration of Directors and Senior Management Personnel, implementation and monitoring of CSR activities and the risk management framework.

#### **(c) Executive Management:**

The business and compliances is overseen by the Executive management of the company. The Executive Vice Chairman (EVC) and Managing Director (MD) look after the day-to-day business of the Company under the overall supervision and guidance of the Board. The EVC and MD are supported by business head and department heads in achieving overall performance / growth of the company.

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

#### **(i) Composition (as on 31.3.2015)**

Your Company's Board comprises of 16 (Sixteen) Directors, which include 8 (Eight) Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The composition of the Board as on 31st March 2015 is as under:

Category	No. of Directors
Non-Independent Directors - Non Executive (including Chairman)	6
Independent Directors	8
Non-Independent & Executive - EVC & MD	2
<b>Total</b>	<b>16</b>

As required under Section 149(3) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mrs. Bhagyam Ramani, a woman Director, was appointed as an Independent Director on the Board on 4.8.2014.

## 2.1 PROFILE OF DIRECTORS

The brief profile of each Director is given below:

### (i) Mr. M. N. Mehta (Chairman, Promoter Group, Non-Independent)

Mr. M. N. Mehta, aged 83 years, is an Industrialist. Mr. Mehta is a Non Resident Indian. He completed his schooling in India and then joined the family business at the age of 19 in East Africa and has over six decades of entrepreneurial experience. He is the motivating force behind the Group. He is also Chairman of Gujarat Sidhee Cement Limited and subsidiary companies in India. Mr. Mehta was conferred the most prestigious “Pravasi Bharatiya Samman” Award by Hon. President of India, Shri Pranab Mukherjee on 9th January, 2015 at the 13th Pravasi Bharatiya Divas-2015, at Gandhinagar, Gujarat. The Pravasi Bharatiya Samman Award was given to Mr. Mehta for his outstanding contribution to economic and social development of thousands of people in East Africa.

Initially, he joined the Board of the Company in October 1974.

### (ii) Mr. Jay Mehta (Executive Vice Chairman, Promoter Group, Non-Independent)

Mr. Jay Mehta, aged 54 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 3 decades of experience in Cement Industry. He is also Executive Vice Chairman of Gujarat Sidhee Cement Limited and Board member of various subsidiary companies, private and public limited companies in India.

Initially, he joined the Board in December 1987.

### (iii) Mr. Hemang D. Mehta (Non-Executive Director, Promoter Group, Non-Independent)

Mr. Hemang D. Mehta, aged 60 years, has graduated with a Bachelor's degree in Science and Management. He is an Industrialist having more than two decades of experience in cement Industry. He is also Director of private companies in India.

Initially, he joined the Board in April 1993.

### (iv) Mr. Hemnabh R. Khatau (Non-Executive Director, Promoter Group, Non-Independent)

Mr. Hemnabh R. Khatau, aged 54 years, has graduated with B. A. (Eng.) from Cambridge University and M.Sc. (UMIST). He has track record of successful Board level line management in manufacturing and financial services sectors. He has wide experience in developing and implementing successful strategies for growth and improving performance. He has worked in UK for a decade in various positions in the consulting practices of Capgemini UK, KPMG and Indeco IMC. He is also Director of Gujarat Sidhee Cement Limited and on the Board of subsidiary companies

He joined the Board in October, 2008.

### (v) Mr. Alexander Shaik (Non-Executive Director, IDM Nominee, Non-Independent)

Mr. Alexander Shaik, aged 43 years, holds a Bachelor of Arts (Politics & Asian history) and Honours in Law from The University of Melbourne, Australia. He is General Counsel and a Director at ADM Capital. He has over 20 years legal and commercial experience working on corporate and structured finance transactions. Before joining ADM Capital, he was employed in the Hong Kong office of the US law firm, Sidley Austin Brown & Wood, and he has also worked with the Tokyo office of Allen & Overy. He brings valuable structuring, regulatory and legal experience to the ADM Capital team. He is Director of India Debt Management Private Limited.

He joined the Board in February, 2006. He ceased to be the Nominee Director of India Debt Management Private Limited (IDM) on the Board w.e.f. 12.5.2015 as nomination was withdrawn by IDM.

### (vi) Mr. Navin Sambtani (Non-Executive Director, IDM Nominee, Non-Independent)

Mr. Navin Sambtani, aged 34 years, is a B. Com. graduate and MBA (Finance) and has around 10 years of experience across investment banking and investment management.

He joined the Board in November, 2014. He ceased to be the Nominee Director of India Debt Management Private Limited (IDM) on the Board w.e.f. 12.5.2015 as nomination was withdrawn by IDM.

### (vii) Mr. Anil Kaul (Non-Executive Director, BIFR Nominee, Non-Independent)

Mr. Anil Kaul, aged 65 years, is Post Graduate from the University of Allahabad, India. He has more than 3 decades of experience in the Cement Industry having worked with ACC and Ambuja Cements Ltd. He held position like Member, Board of Governors of National Council for Cement and Building Materials, Development Council for Cement Industry, Chairman, Cement Manufacturers' Association Committee for Exports and Vice Chairman of the Western Regional Committee, Chemicals and Allied Product Export Promotion Council.

He was appointed on the Board as BIFR nominee in April, 2011.

**(viii) Mr. S. V. S. Raghavan (Non-Executive Director, Independent)**

Mr. S. V. S. Raghavan, aged 85 years, is IDAS (Retd). He has been awarded Padmashri by Government of India for his excellent services. He was also given the award of the "First Citizen of India" by the President of India. He was the Chairman of BHEL, MMTC, STC, BBIL and retired in the rank of Secretary of the Ministry of Commerce, Government of India, New Delhi. He is the Member of Audit Committee and Chairman of Nomination & Remuneration Committee.

Originally, he joined the Board in February 1997.

**(ix) Mr. M. N. Rao (Non-Executive Director, Independent)**

Mr. M. N. Rao, aged 78 years, is a Science Graduate and Mechanical Engineer. He has worked with IDBI and has wide experience in Cement Industry. He is the Chairman of Audit Committee and Member of Nomination & Remuneration Committee.

Originally, he joined the Board in November, 1984.

**(x) Mr. B. P. Deshmukh (Non-Executive Director, Independent)**

Mr. B. P. Deshmukh, aged 71 years, has done M. Com., LL.B., FCS. He has varied experience in finance. He is on the Board of EMI Transmission Ltd.

He joined the Board in October, 2004.

**(xi) Mr. K. N. Bhandari (Non-Executive Director, Independent)**

Mr. K. N. Bhandari, aged 73 years, has done B.A., LL.B. He is the Ex-Chairman-cum-Managing Director of The New India Assurance Company Limited and United India Insurance Company Limited. Mr. Bhandari is having rich experience in the Insurance Industry. He is also on the Board of several public listed companies.

He joined the Board in October, 2005.

**(xii) Mr. Jayant N. Godbole (Non-Executive Director, Independent)**

Mr. Jayant N. Godbole, aged 70 years, is a B. Tech (Hons), IIT (Mumbai) and holds Certificate of Financial Management from Jamnalal Bajaj Institute of Management Studies. He retired as Chairman & Managing Director of IDBI. He has vast knowledge and enriched experience in Finance. He is also on the Board of several public listed companies. He is a Member of Corporate Social Responsibility (CSR) Committee of the Company.

He joined the Board in April, 2008.

**(xiii) Mr. Bimal R. Thakkar (Non-Executive Director, Independent)**

Mr. Bimal R. Thakkar, aged 50 years, has done B. Com. and Diploma in Export Management and has also done a course in International Business and Marketing from Trade Development Institute of Ireland. He has over two decades of experience and is currently spearheading the ADF Group. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets for the products in U.K. USA, Gulf, Australia, Europe etc. He is also on the Board of several public listed companies. He is a Member of Corporate Social Responsibility (CSR) Committee of the Company.

He joined the Board in April, 2009.

**(xiv) Mr. P. K. Behl (Non-Executive Director, Independent)**

Mr. P. K. Behl, aged 72 years, is First Class First Graduate Double Gold Medallist from Jaipur University. He retired as Executive Director (International Operations) from Life Insurance Corporation of India controlling in Sri Lanka, Mauritius, Nepal, U.K. and Bahrain and has vast knowledge on corporate matters. Short listed as Life Member for IRDA. Advisor for Asean University of Insurance and Risk Management (Proposed).

He joined the Board in May, 2014.

**(xv) Mrs. Bhagyam Ramani (Non-Executive Director, Independent)**

Mr. Bhagyam Ramani, aged 63 years, is a Post Graduate in Economic (Hons) with specialization in Industrial & Monetary Economics and retired as Director & General Manager of General Insurance Corporation of India, a Government of India Undertaking. She has more than 4 decades experience in various fields including finance and accounts. She is also on the Board of several public listed companies.

She joined the Board in May, 2014.

## (xvi) Mr. M. S. Gilotra (Managing Director, Non-Independent)

Mr. M. S. Gilotra, aged 65 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of more than 4 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career he has acted as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management. Mr. Gilotra is in charge of day-to-day operations of the Company and has substantial power of management. He is also the Managing Director of Gujarat Sidhee Cement Limited. He is a Member of Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Company.

He joined the Board in June, 1995.

## 2.2 DIRECTORS RESIGNED DURING THE YEAR

During the year under review, India Debt Management Pvt Ltd withdrawn the nomination of Mr. Susheel Kak and Mr. Denys Firth as Member of the Board effective from 5th August, 2014 and of Mr. Alexander Shaik and Mr. Navin Sambtani effective from 12th May 2015.

## 2.3 RE-APPOINTMENT OF DIRECTORS

Mr. Hemnabh Khatau shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Jay Mehta and Mr. M. S. Gilotra have been reappointed as Executive Vice Chairman and Managing Director respectively for a further period of 5 years from 1st January, 2016 to 31st December, 2020 and remuneration payable over a period of 3 years from 1st January, 2016 to 31st December, 2018.

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

## 2.4 MEETINGS, AGENDA AND PROCEEDINGS ETC. OF THE BOARD MEETING.

During the financial year under review, 4 Board Meetings were held on the 30th May, 2014, 4th August, 2014, 6th November, 2014 and 9th February, 2015. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on 19th September, 2014. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	3	No
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	4	No
3.	Mr. Hemang D. Mehta	Non-Executive, Non-Independent	4	No
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	3	No
5.	Mr. Alexander Shaik (Ceased to be Director w.e.f. 12.5.2015)	Non-Executive, Non-Independent	3	No
6.	Mr. Susheel Kak	Non-Executive, Non-Independent	2	No
7.	Mr. Navin Sambtani (Appointed w.e.f. 6.11.2014 and ceased to be Director w.e.f. 12.5.2015)	Non-Executive, Non-Independent	2	No
8.	Mr. Anil Kaul	Non-Executive, Non-Independent	4	No
9.	Mr. S. V. S. Raghavan	Non-Executive, Independent	1	No
10.	Mr. M. N. Rao	Non-Executive, Independent	4	Yes
11.	Mr. B. P. Deshmukh	Non-Executive, Independent	3	No
12.	Mr. K. N. Bhandari	Non-Executive, Independent	4	No
13.	Mr. Jayant N. Godbole	Non-Executive, Independent	4	No
14.	Mr. Bimal Thakkar	Non-Executive, Independent	3	No
15.	Mr. P. K. Behl (Appointed w.e.f. 30.5.2014)	Non-Executive, Independent	4	Yes
16.	Mrs. Bhagyam Ramani (Appointed w.e.f. 4.8.2014)	Non-Executive, Independent	3	No
17.	Mr. M. S. Gilotra	Managing Director, Non-Independent	4	Yes

### Separate Meeting of Independent Directors:

As per Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 26th March, 2015 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information necessary for the Board to discharge its duties between the Company's management and its Board.

### Agenda:

The agenda papers backed by the following information (except for the price sensitive information, which is circulated at the meeting) are circulated to the Directors seven days prior to the Board Meeting. Additional agenda in the form of 'Other Business' are included with the permission of the Chairman.

### 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, Nomination & Remuneration Committee, Finance & Legal Committee, Stakeholders Relationship & Grievances 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.

### Invitees & Proceedings:

Apart from the Board members, the Company Secretary and CFO are invited to attend all the Board Meetings. Other senior management executives are also invited to provide inputs for the items being discussed by the Board. The Managing Director and CFO makes presentation on the quarterly and annual operating and financial performance and on annual budget. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

## 2.5 OTHER DIRECTORSHIPS

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he/she is a Director.

The details of the Directorships and Committee memberships in other Companies (excluding Private Limited Companies & Foreign Companies) held by the Directors as on 31st March 2015 are given below:

Sr. No.	Name of the Director	Other Directorships	Committee Positions	
			Chairman	Member
1.	Mr. M. N. Mehta Chairman, Non-Executive, Non-Independent	6	-	-
2.	Mr. Jay Mehta Executive Vice Chairman, Non-Independent	7	1	-
3.	Mr. Hemang D. Mehta Non-Executive, Non-Independent	-	-	-
4.	Mr. Hemnabh Khatau Non-Executive, Non-Independent	6	-	-
5.	Mr. Alexander Shaik Non-Executive, Non-Independent	-	-	-
6.	Mr. Navin Sambtani (w.e.f. 6.11.2014) Non-Executive, Non-Independent	-	-	-
7.	Mr. Anil Kaul Non-Executive, Non-Independent	-	-	-
8.	Mr. S. V. S. Raghavan Non-Executive, Non-Independent	1	1	-
9.	Mr. M. N. Rao Non-Executive, Independent	1	-	-



Sr. No.	Name of the Director	Other Directorships	Committee Positions	
			Chairman	Member
10.	Mr. B. P. Deshmukh Non-Executive, Independent	1	-	-
11.	Mr. K. N. Bhandari Non-Executive, Independent	7	2	2
12.	Mr. Jayant N. Godbole Non-Executive, Independent	9	3	6
13.	Mr. Bimal Thakkar Non-Executive, Independent	3	-	2
14.	Mr. P. K. Behl (w.e.f. 30.5.2014) Non-Executive, Independent	1	-	1
15.	Mrs. Bhagyam Ramani (w.e.f. 4.8.2014) Non-Executive, Independent	7	-	5
16.	Mr. M. S. Gilotra Managing Director, Non-Independent	1	-	2

## 2.6 FAMILIARIZATION PROGRAMME OF THE INDEPENDENT DIRECTORS:

In accordance with the requirements of Clause 49 of the Listing Agreement, the company conducted a Familiarization Programme for all Independent Directors. The Independent Directors were made familiar with the Role and duties of the independent Directors under the Companies Act, 2013 and Listing Agreement and with the nature of the industry in which the company operates, business model of the company.

The programme was conducted by the veterans of the respective fields. Further details of the programme is available at the following link: <http://scl.mehtagroup.com/announcements/familiarization-program-for-independent-directors-for-the-year-2014-15>

## 2.7 EVALUATION OF THE BOARD'S PERFORMANCE

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

## 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 three members viz. Mr. M. N. Rao, Mr. S. V. S. Raghavan and Mr. Anil Kaul. Mr. M. N. Rao is the Chairman of 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 30.5.2014, 4.8.2014, 6.11.2014 and 9.2.2015. 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. Mr. Ritesh Talati, partner of M/s. V. J. Talati & Co., Cost Accountants attended the meeting held on 30.5.2014.

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	1
3.	Mr. Anil Kaul, Member	4	4
4.	Mr. Susheel Kak, Member (ceased to be member w.e.f. 5.8.2014)	4	1

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

### Terms of reference of Audit Committee

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.
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

The Board has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013 comprising of the following Directors.

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

During the year under review, the Committee had one meeting held on 6th November, 2014 which was attended by all the Members. The company has a policy in place on the Corporate Social Responsibility.

##### Terms of Reference of the Committee are as follows:

- a) 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;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the CSR Policy of the Company from time to time; and
- d) 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

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

During the year under review, three meetings of Nomination & Remuneration Committee were held on 4th August, 2014, 6th November, 2014 and 9th February, 2015.

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

Sr. No.	Members of Nomination and Remuneration Committee	No. of meetings held	No. of meetings attended
1.	Mr. S. V. S. Raghavan (Chairman)	3	1
2.	Mr. M. N. Rao (Member)	3	3
3.	Mr. Anil Kaul (Member)	3	3
4.	Mr. Susheel Kak (Member) Ceased to be Member w.e.f. 5.8.2014	3	-

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

#### Terms of Reference of the Committee are as follows:

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 also such persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.

#### REMUNERATION/COMPENSATION POLICY

The Company has a Nomination and Remuneration Committee Charter and Compensation Policy in place. Remuneration policy in the company is designed to create high performance culture.

The Remuneration / Compensation / Increments to the Whole Time Director, KMP, Senior Management Personnel is being determined by the Committee and then recommended to the Board. Shareholders Approval is taken as and when required under the Act. The provisions of the Act along with Schedule V to be complied with.

The Remuneration / Commission to be paid to Executive / Non Executive Directors to be paid as per the Companies Act, 2013. Sitting Fees being paid to Non Executive/ Independent Directors should not exceed ₹ One lac Per meeting of the Board / Committee or such higher amount as may be prescribed by the Central Government from time to time. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meeting.

#### Details of Remuneration of Directors paid for the period 2014-15:

##### 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	213.99	Nil	50.48	264.47
Mr. M. S. Gilotra, Managing Director	107.43	12.44	23.65	143.52

##### Non Executive Directors

The Directors were paid sitting fees of ₹ 20,000/- per meeting upto 30.5.2014 and thereafter the fees was increased to ₹ 50,000/- per meeting for attending the meeting of the Board, Audit Committee and Nomination & Remuneration Committee. The sitting fees is ₹ 20,000/- per meeting for Stakeholders & Relationship Grievances Committee, CSR 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)	3	-	3	1,20,000
2.	Mr. Hemang D. Mehta	4	-	4	1,70,000
3.	Mr. S. V. S. Raghavan	1	2	3	1,50,000
4.	Mr. M. N. Rao	4	7	11	4,90,000
5.	Mr. B. P. Deshmukh	3	-	3	1,20,000
6.	Mr. K. N. Bhandari	4	-	4	1,70,000

Sr. No.	Name of the Directors	No. of Board meeting attended	No. of Committee meetings attended	Total	Amount of Sitting fees paid (₹)
7.	Mr. Bimal R. Thakkar	3	1	4	1,40,000
8.	Mr. Anil Kaul	4	11	15	5,70,000
9.	Mr. Jayant N. Godbole	4	1	5	1,90,000
10.	Mr. Hemnabh Khatau	3	-	3	1,20,000
11.	Mr. P. K. Behl	4	-	4	1,70,000
12.	Mrs. Bhagyam Ramani	3	-	3	1,50,000
13.	Mr. Susheel Kak (Ceased to be Director w.e.f. 5.8.2014)	2	1	3	90,000
14.	Mr. Denys Firth (Ceased to be Director w.e.f. 5.8.2014)	-	-	-	-
15.	Mr. Alexander Shaik	3	-	3	1,20,000
16.	Mr. Navin Sambtani (Alternate Director to Mr. Denys Firth)	2	-	2	70,000
17.	Mr. Navin Sambtani (Appointed as Director w.e.f. 6.11.2014)	2	-	2	1,00,000

The Company has not issued any Stock Options to the Directors and Employees during the financial year ended 31.3.2015 or in the past.

#### 6. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

The Committee comprises of Mr. Jay M. Mehta - Executive Vice Chairman, Mr. M. S. Gilotra - Managing Director, Mr. Anil Kaul - Special Director, BIFR. Ms. Sonali Sanas, Vice President (Legal) & Company Secretary is designated as the Compliance Officer who oversees the redressal of the investor grievances.

During the year, the Committee had 4 meetings on 30.5.2014, 4.8.2014, 6.11.2014 and 9.2.2015. Details of the meetings attended by the members are given below:

Sr. No.	Members of Stakeholders Relationship & 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.
1	1	Nil

The approved minutes of the Stakeholders Relationship & Grievance Committee is circulated and noted by the Board of Directors at the subsequent Board Meetings.

#### Terms of Reference

The Committee is responsible to 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. RISK MANAGEMENT COMMITTEE

The revised Clause 49 mandates constitution of the Risk Management Committee. Accordingly, the Board at its meeting held on 6th November, 2014 constituted Risk Management Committee comprising of Mr. Jay Mehta, Executive Vice Chairman, Mr. M. S. Gilotra, Managing Director and Mr. S. C. Khanna, Executive Director (Operations & Projects) as Members of the Committee. The Company Secretary of the Company is the Secretary of the Committee.

#### Risk Management Principles

The company has formulated a Risk management policy. The principles contained in the policy will be applied at both corporate and operational levels to all locations within the Company. These are broadly divided in two parts viz. General Principles and Specific Principles.

#### The general principles are :

- all risk management activities will be aligned to corporate aims, objectives and organizational priorities of the company.

- Risk analysis will form part of the company's strategic planning, business planning and investment /project appraisal procedures.
- Managers and staff at all levels will have a responsibility to identify, evaluate and manage and report risks.
- Risks will be primarily managed by the business functional heads transacting the business, which gives rise to risks.
- The company will foster a culture, which provides for spreading best practice, lessons learnt, and expertise acquired from risk management activities across the Company for its benefit.

**The specific principles are :**

- Risk Management in the Company should be proactive and reasoned. Corporate and operational risks should be identified, objectively assessed, and actively managed;
- The aim is to anticipate, and where possible, avoid risks rather than dealing with their impact. However for some key areas where the likelihood of a risk occurring is relatively small, but the impact on the Company is high, the Company may cover that risk by developing contingency plans, e.g. Business Continuity Plans. This will allow the Company to contain the negative effect of unlikely events which might occur.
- In determining an appropriate response, the cost of control/risk management, and the impact of risks occurring will be balanced with the benefits of reducing risk. This means that the Company will not necessarily set up and monitor controls to counter risks where the costs and efforts are disproportionate to the impact expected benefits.
- The Company recognizes that some risks can be managed by transferring them to a third party for e.g. by out sourcing, or possibly, by insurance.

Based on the above principles, the Board at its meeting held on 4th August, 2014 adopted Risk Management Charter and Policy which is posted on the website of the Company.

During the year under, the Committee had one meeting on 6th February, 2015 which was attended by all the members.

## 8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Keeping in line with the philosophy of Open Communication and Transparency practiced by the Company, the Policy is formulated to provide an opportunity to the directors and employees of the Company to approach the Audit Committee in good faith, when they suspect or observe unethical or wrongful practices, malpractices, non-compliance of company policies etc.

The name, address and contact no. of the Chairman of the Audit Committee is given below:

Name of the Chairman	Address	Contact No(s).
Mr. M. N. Rao	Saurashtra Cement Limited, 2nd Floor, N. K. Mehta International House, 178, Backbay Reclamation, Mumbai 400 020	022-66365444

This policy is applicable to all the directors and employees of the Company. The policy is also posted on the website of the Company.

## 9. 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	Venue	Dividend declared
2013-14	19.9.2014	12.15 p.m.	Registered Office of the Company	Nil
2012-13	31.7.2013	10.00 a.m.	-do-	Nil
2011-12	27.6.2012	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.

## 10. 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. 36 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. The Company has a policy on dealing with the related party transactions. The related party transactions policy is available on the website of the Company. The web-link to the same is <http://scl.mehtagroup.com/policy/related-party-transactions-policy>.

**d) Policy for determining the Material Subsidiaries:**

The Company has a policy for determining the "Material Subsidiaries" in place. The said policy is available at web-link <http://scl.mehtagroup.com/policy/material-subsidiary-policy>.

**e) 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.

**f) Disclosure on Risk Management:**

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

**g) 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. A declaration by the Managing Director to the effect that the Board of Directors and the senior management has complied with the Code of conduct forms part of this report.

**h) 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.

**i) 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.

**11. 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://scl.mehtagroup.com/investors/financials> and Electronic Data Information Filing and Retrieval website maintained by SEBI.

**12. GENERAL SHAREHOLDERS INFORMATION:**

i)	Audited results for the current Financial Year ended 31st March 2015.	14th May 2015	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2014) Quarter II (ending 30.9.2014) Quarter III (ending 31.12.2014) Quarter IV (ending 31.3.2015)	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	Wednesday, the 23rd September, 2015	
iv)	Date of Book closure	Monday, the 14th September, 2015 to Wednesday, the 23rd September, 2015 (Both days inclusive)	

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

S. 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 2015-2016 to the Bombay Stock Exchange Ltd., (BSE) where the Company's shares are listed.

**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 31.3.2015 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 31.3.2015 :**

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 - 500	7749	85.63	947361	1.85
501 - 1000	544	6.01	453081	0.89
1001 - 2000	287	3.17	447505	0.87
2001 - 3000	115	1.27	305668	0.60
3001 - 4000	58	0.64	211640	0.41
4001 - 5000	73	0.81	344129	0.67
5001 - 10000	89	0.99	664816	1.30
10001 - above	134	1.48	47816865	93.41
<b>TOTAL</b>	<b>9049</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**x) Shareholders Profile as on 31.3. 2015:**

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	10	0.11	32759283	63.99
Bodies Corporate	203	2.24	2448357	4.78
NRIs	409	4.52	114225	0.22
FIs	4	0.04	1810	-
Financial Institutions	2	0.02	272737	0.53
UTI & Insurance Companies	7	0.08	192487	0.38
Banks	7	0.08	550937	1.08
Mutual Fund	1	0.01	100	-
Foreign Companies	2	0.02	8147884	15.92
Overseas Corporate Bodies	1	0.01	109100	0.21
Indian Public	8403	92.87	6594145	12.89
<b>Total</b>	<b>9049</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**xi) Dematerialization of shares:**

As on 31.3.2015, 4,99,44,515 equity shares constituting 97.56% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

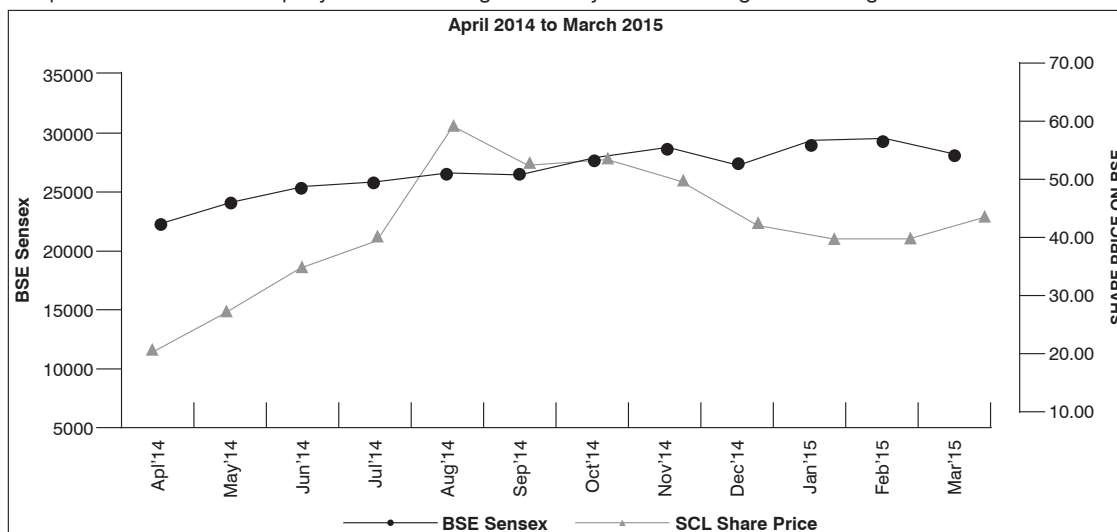
**xii) Stock Market price data for the period 2014-2015:**

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 2014 to March 2015 are as under:-

In rupees			
Month	High	Low	Closing
April 2014	22.70	17.00	20.10
May 2014	29.75	18.05	27.45
June 2014	36.95	27.15	34.85
July 2014	43.45	31.40	39.85
August 2014	66.35	32.75	59.70
September 2014	65.80	46.50	52.30
October 2014	53.80	46.50	53.80
November 2014	64.85	47.00	49.90
December 2014	52.60	35.05	42.30
January 2015	54.70	39.25	39.90
February 2015	48.35	38.90	39.60
March 2015	56.25	39.55	43.45

**xiv) 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.

**xv) 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.  
E-mail 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 e-mail 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.

**xvi) Mandatory requirement of PAN:**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Registrars & Transfer Agent while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**13. 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) Code for Prohibition of Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code for Prevention of Insider Trading". Ms. Sonali Sanas, Vice President (Legal) Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated employees.

**14. SUBSIDIARY COMPANIES:**

There is no material non listed Indian Subsidiary Company as on 31-03-2015 requiring appointment of Independent Director of the company on the Board of Directors of the subsidiary companies.

On behalf of the Board of Directors

Place : Mumbai  
Dated : 14th May, 2015

**M. S. Gilotra**  
Managing Director

**Jay Mehta**  
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 2015.

On behalf of the Board of Directors

Place : Mumbai  
Dated : 14th May, 2015

**M. S. Gilotra**  
Managing Director

**Jay Mehta**  
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, 2015 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 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 14, 2015

**ANNEXURE C**

**FORM NO. AOC-2**

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

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

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

**Not Applicable**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

- I. (a) Name(s) of the related party and nature of relationship  
Gujarat Sidhee Cement Limited - Associate Company
- (b) Nature of contracts/arrangements/transactions
  - a. Sale / Purchase of clinker and sale of cement at market rate.
  - b. Brand fee for use of Brand "Hathi" as per Brand valuation report.
  - c. Sharing of common expenses on the price and quantity basis.
 All above transactions are at prevailing market price and at arms length basis.
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
30th May 2014.
- (f) Amount paid as advances, if any.  
Nil.
- II. (a) Name(s) of the related party and nature of relationship  
Agrima Consultants International Limited - wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions  
Utililisation of their premises by the Company.
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
14th May 2015.
- (f) Amount paid as advances, if any.  
Nil.
- III. (a) Name(s) of the related party and nature of relationship  
Pranay Holdings Limited - wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions  
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
14th May, 2015.
- (f) Amount paid as advances, if any.  
As on 31.3.2015, ₹ 0.10 lacs paid as advance during F.Y. 2014-15.
- IV. (a) Name(s) of the related party and nature of relationship  
Prachit Holdings Limited - wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions  
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
14th May, 2015.
- (f) Amount paid as advances, if any.  
As on 31.3.2015, ₹ 0.29 lacs paid as advance during F.Y. 2014-15.
- V. (a) Name(s) of the related party and nature of relationship  
Ria Holdings Limited - wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions  
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
14th May, 2015.
- (f) Amount paid as advances, if any.  
As on 31.3.2015, ₹ 0.10 lacs paid as advance during F.Y. 2014-15.
- VI. (a) Name(s) of the related party and nature of relationship  
Reeti Investments Limited - wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions  
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions  
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.  
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.  
14th May, 2015.
- (f) Amount paid as advances, if any.  
As on 31.3.2015, ₹ 0.29 lacs paid as advance during F.Y. 2014-15.

Form shall be signed by the persons who have signed the Board's report.

On behalf of the Board of Directors

Place : Mumbai  
Dated : 14th May, 2015

**M. S. Gilotra**  
Managing Director

**Jay Mehta**  
Executive Vice Chairman

**ANNEXURE D**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE PERIOD 01-04-2014 TO 31-03-2015**

The Members

**SAURASHTRA CEMENT LIMITED**

Near Railway Station,

Ranavav

Gujarat - 360560.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAURASHTRA CEMENT LIMITED (CIN: L26941GJ1956PLC000840)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Management's Responsibility for Secretarial Compliances**

The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provisions of applicable laws and regulations.

**Auditors Responsibility**

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.

Based on our verification of the **SAURASHTRA CEMENT LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period **1st April, 2014 to 31st March, 2015** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1st April, 2014 to 31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - c. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client.

We further report that during the reporting period, there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings made by/in the Company and as such the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made were not applicable.

- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads, based on the report received from Designated Managers at various works, offices and sales establishments, there has been due compliance of all laws,

orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Income Tax Act, 1961
2. Factories Act, 1948 and rule made thereunder
3. Industrial Disputes Act
4. Industrial Relations Act
5. Payment of Bonus Act and other Labour Legislations.
6. Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
7. Employee State Insurance Act and scheme thereunder.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India - **(Not applicable as yet to be notified)**
- b) Listing Agreement with BSE Limited

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The consensus of the members of the Board of Directors is obtained before according consent for the passing of resolutions.

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

Place: Mumbai

Date : 6th May, 2015

**Mrs. Ragini Chokshi**

**For Ragini Chokshi & Co.**

(Partner)

C.P. NO. 1436

FCS NO. 2390

## ANNEXURE E

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2015.

### A. CONSERVATION OF ENERGY:

#### a. ENERGY CONSERVATION MEASURES TAKEN

1. Variable Frequency Drive (VFD) installed at 90 KW CEMENT MILL-1 vent fan.
2. Replacement of 20 old motors by high efficiency motors.
3. Use of energy efficient lamps by replacing Street Lights with LED fittings.
4. Replacement of Pneumatic actuators with electrical in GCT water spray.
5. Installation of Auto loader in packer no.3.
6. Replacement of CM-1 main gear box by higher power and service factor rating.

#### b. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

1. Re engineering of cooler fan no.3 for improvement in efficiency.
2. Systematic Replacement of old motors by high efficiency motors
3. Induction of more auto loader at Packing Plant.
4. Replacement of Raw Mill and coal mill-3 separator with high efficiency.

#### 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 plans:

The Company is pursuing various alternatives to develop new markets. The Company is exploring possibilities for exporting its products in East African countries and revisit Middle East if feasible.

#### b. Total Foreign Exchange used and earned.

	Current Year	Previous Year
	2014-15	2013-14
	(₹ in lacs)	(₹ in lacs)
Foreign Exchange earned	7,823.29	13,821.52
Foreign Exchange used	2,108.91	369.44

## FORM A (See Rule 2)

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

	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
<b>1 Electricity</b>		
<b>a) Purchased Units (Kwh) LAKHS</b>	<b>19.83</b>	18.44
Total Amount (₹ In lakhs) incl. Fixed charges	<b>337.89</b>	340.18
Variable Cost Per Unit (₹)	<b>6.94</b>	6.62
<b>b) Own Generation</b>		
<b>1 Through Diesel generator</b>		
Gross Units (Kwh) Lakhs	<b>1.39</b>	1.08
Units /Ltr of Furnace Oil	<b>3.89</b>	3.82
Variable Total Cost Per Unit in ₹	<b>14.80</b>	12.57
<b>2 Through Thermal Power Plant</b>		
Net Units (Kwh) lakhs	<b>1384.06</b>	1339.62
Total Amount (₹ in lakhs)	<b>5466.64</b>	5289.35
Rate / Unit (₹) (under trial run)	<b>3.95</b>	3.95
<b>3 Coal and Other Fuels</b>		
Quantity (Million K.Cal)	<b>1030710</b>	1028490
Total cost (₹ in lakhs)	<b>10041.28</b>	10320.25
Average rate /million K.cal (₹)	<b>974.21</b>	1003.44
<b>4 Furnace Oil</b>		
Quantity (K.ltrs)	<b>168</b>	138
Total amount (₹ in lakhs)	<b>63.25</b>	60.50
₹ per litre	<b>37.57</b>	43.88
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>1 Electricity</b>		
(Kwh/T of Cement)	<b>95.64</b>	97.91
<b>2 Coal /Lignite</b>		
Usage In %	<b>12.01</b>	12.18

## **FORM - B**

### **A. RESEARCH & DEVELOPMENT**

- a. Specific areas in which the company carried out R&D.  
Changed the grinding media pattern in all cement mills for reduction of power.
- 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. Improvement in efficiency of fans by reengineering.

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

1. Replacement of 20 old motors by high efficiency motors.
2. Use of energy efficient lamps by replacing Tube lights with LED fittings.
3. Installation of VFD's for power savings.

#### **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. Automation of Cement Mill no. 2 & 4 for quality and energy efficiency.
3. Clinker storage and handling system.
4. Replacement of existing mechanical packer with the electronic packer.
5. Replacement of table feeders with weigh feeders in coal mill 2 and 3.
6. Replacement of dynamic separators with high efficiency.



## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L26941GJ1956PLC000840
2.	Registration Date	11th June, 1956
3.	Name of the Company	SAURASHTRA CEMENT LIMITED
4.	Category/Sub-category of the Company	Company limited by shares / Indian Non Government Company
5.	Address of the Registered office & contact details	Near Railway Station, Ranavav - 360560 (Gujarat) Tel. No. 02801-235001/7, 02801-304200 E-Mail : sclinvestorquery@mehtagroup.com, Website: www.saurashtracementlimited.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 Tel No. 022 25963838

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Clinker & Cement	3241	100 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pranay Holdings Limited	U67120MH1992PLC065188	Subsidiary	100	2 (87)
2	Prachit Holdings Limited	U67120MH1992PLC067374	Subsidiary	100	2 (87)
3	Ria Holdings Limited	U67120MH1992PLC067548	Subsidiary	100	2 (87)
4	Reeti Investments Private Limited	U65990MH1992PLC066507	Subsidiary	100	2 (87)
5	Agrima Consultants International Limited	U74210MH1988PLC047543	Subsidiary	100	2 (87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	24650	190928	215578	0.42	132310	193808	326118	0.64	0.22
b) Central Govt.	0	0	0	0	0	0	0	0	
c) State Govt.(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	149117	0	149117	0.29	11893934	0	11893934	23.24	22.95
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
<b>Sub - Total (A)(1)</b>	<b>173767</b>	<b>190928</b>	<b>364695</b>	<b>0.71</b>	<b>12026244</b>	<b>193808</b>	<b>12220052</b>	<b>23.88</b>	<b>23.17</b>

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	32610166	0	32610166	63.70	20865349	0	20865349	40.76	-22.94
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub - Total (A)(2)</b>	<b>32610166</b>	<b>0</b>	<b>32610166</b>	<b>63.70</b>	<b>20865349</b>	<b>0</b>	<b>20865349</b>	<b>40.76</b>	<b>-22.94</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>32783933</b>	<b>190928</b>	<b>32974861</b>	<b>64.41</b>	<b>32891593</b>	<b>193808</b>	<b>33085401</b>	<b>64.64</b>	<b>0.23</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	1250	1250	0	0	1250	1250	0	0
b) Banks / FI	1005344	850	1006194	1.97	822824	850	823674	1.61	-0.36
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance companies	669194	410	669604	1.31	190927	410	191337	0.38	-0.93
g) FIs	0	1810	1810	0	0	1810	1810	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>1674538</b>	<b>4320</b>	<b>1678858</b>	<b>3.28</b>	<b>1013751</b>	<b>4320</b>	<b>1018071</b>	<b>1.99</b>	<b>-1.29</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1572911	443006	2015917	3.94	2005351	443006	2448357	4.78	0.84
ii) Overseas	0	0	0	0	0	0	0	0	
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1622150	369052	1991202	3.89	2540133	360182	2900315	5.66	1.77
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1871299	213384	2084683	4.07	2719240	213384	2932624	5.73	1.66
<b>c) Others (specify)</b>									
Non Resident Indians	329328	32150	361478	0.71	82375	31850	114225	0.22	-0.49
Overseas Corporate Bodies	109100	0	109100	0.21	109100	0	109100	0.21	0
Foreign Companies	9920000	0	9920000	19.38	8147884	0	8147884	15.92	-3.46
Clearing Members	54966	0	54966	0.11	435088	0	435088	0.85	0.74
Trusts	0	0	0	0	0	0	0	0	
Foreign Investor	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(2):-</b>	<b>15479754</b>	<b>1057592</b>	<b>16537346</b>	<b>32.31</b>	<b>16039171</b>	<b>1048422</b>	<b>17087593</b>	<b>33.37</b>	<b>1.06</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>17154292</b>	<b>1061912</b>	<b>18216204</b>	<b>35.59</b>	<b>17052922</b>	<b>1052742</b>	<b>18105664</b>	<b>35.36</b>	<b>-0.23</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>49938225</b>	<b>1252840</b>	<b>51191065</b>	<b>100.00</b>	<b>49944515</b>	<b>1246550</b>	<b>51191065</b>	<b>100.00</b>	<b>0</b>

**B) Shareholding of Promoter-**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Jagmi Investments Limited	5175000	10.11	10.11	5175000	10.11	10.11	0
2	The Mehta International Limited	3750	0.01	0.01	3750	0.01	0.01	0
3	Aber Investments Limited	2544817	4.97	4.97	0	0	0	-4.97
4	Clarence Investments Limited	12886599	25.17	25.17	3686599	7.20	7.20	-17.97
5	TransAsia Investments & Trading Limited	8000000	15.63	15.63	8000000	15.63	15.63	0
6	Sampson Limited	4000000	7.81	7.81	4000000	7.81	7.81	0
7	Pallor Trading Co. Pvt. Ltd.	25136	0.05	0.05	25136	0.05	0.05	0
8	Sameta Export Pvt. Ltd.	123531	0.24	0.24	123531	0.24	0.24	0
9	Villa Trading Co. Pvt. Ltd	350	0.00	0.00	11745167	22.95	22.95	22.95
10	Gujarat Sidhee Cement Limited	100	0.00	0	100	0.00	0	0
11	Mahendrabhai N Mehta	28480	0.06	0	28480	0.06	0	0
12	Dhirendra N Mehta	5000	0.01	0	5000	0.01	0	0
13	Hemang D Mehta	51534	0.10	0	51534	0.10	0	0
14	Jaybhai M Mehta	14630	0.03	0	14630	0.03	0	0
15	Sunayanaben M Mehta	6000	0.01	0	6000	0.01	0	0
16	Medhavini D Mehta	46184	0.09	0	46184	0.09	0	0
17	Umade D Mehta	15400	0.03	0	15400	0.03	0	0
18	Kamalakshi D Mehta	18400	0.03	0	18400	0.03	0	0
19	Juhi Chawla Mehta	24650	0.05	0	24650	0.05	0	0
20	Radha Mahendra Mehta	5100	0.01	0	5100	0.01	0	0
21	Anisha Hemang Mehta	100	0.00	0	100	0.00	0	0
22	Devika Hemang Mehta	100	0.00	0	100	0.00	0	0
23	Nirmala Ranvir Khatau	0	0	0	7660	0.01	0	0.01
24	Sudhir Babulal Shah	0	0	0	100000	0.20	0	0.20
25	Atul C Khanna	0	0	0	2880	0.01	0	0.01
	<b>TOTAL</b>	<b>32974861</b>	<b>64.41</b>	<b>64.00</b>	<b>33085401</b>	<b>64.64</b>	<b>64.00</b>	<b>0.23</b>

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

Sr. No	Name of the Shareholder	Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aber Investments Limited	1-Apr-2014	At the beginning of the year	2544817	4.97	2544817	4.97
		14/11/2014	Promoter Inter se Transfer			-2544817	-4.97
			<b>Shares held at the end of the year.</b>			0	0
2	Clarence Investments Limited	1-Apr-2014	At the beginning of the year	12886599	25.17	12886599	25.17
		14/11/2014	Promoter Inter se Transfer			- 4400000	-8.60
		25/03/2015	Promoter Inter se Transfer			-4800000	-9.37
			<b>Shares held at the end of the year.</b>			3686599	7.20
3	Villa Trading Co. Pvt. Ltd	1-Apr-2014	At the beginning of the year	350	0.00	350	0.00
		14/11/2014	Promoter Inter se Transfer			6944817	13.57
		25/03/2015	Promoter Inter se Transfer			4800000	9.38
			<b>Shares held at the end of the year.</b>			11745167	22.95
4	Nirmala Ranvir Khatau	1-Apr-2014	At the beginning of the year				
			<b>Shares held at the end of the year.</b>			7660	0.01
5	Sudhir Babulal Shah	1-Apr-2014	At the beginning of the year				
			<b>Shares held at the end of the year.</b>			100000	0.20
6	Atul C Khanna	1-Apr-2014	At the beginning of the year				
			<b>Shares held at the end of the year.</b>			2880	0.01

## D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01/04/2014.		Cumulative Shareholding during the Year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mauritius Debt Management Limited	7450000	14.55	5677884	11.09
2.	Toro Managers Limited	2470000	4.83	2470000	4.83
3.	Premji K Ruparel	577730	1.13	577730	1.13
4.	IFCI Limited	455257	0.89	0	0
5.	Dena Bank - Investment	420335	0.82	420335	0.82
6.	IND Finance & Securities Trust Pvt Ltd	392341	0.77	168732	0.33
7.	Yvonne Diana Mehta	266080	0.52	0	0
8.	National Insurance Company Limited	236690	0.46	136690	0.27
9.	Benchmark Capital Management Pvt Ltd	228200	0.44	228200	0.45
10.	Life Insurance Corporation of India	226087	0.44	226087	0.44
11.	SKS Capital & Research Pvt Ltd	0	0	300000	0.59
12	Indianivesh Securities Private Limited	0	0	220300	0.43

\* The shares of the Company are traded on a regular basis hence datewise increase and decrease of shares is not indicated.

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name of the Shareholder	Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahendra N Mehta (Chairman)	1-Apr-2014	At the beginning of the year	28480	0.06	28480	0.06
		31-Mar-2015	At the end of the year			28480	0.06
2	Jay M Mehta (Executive Vice Chairman)	1-Apr-2014	At the beginning of the year	14630	0.03	14630	0.03
		31-Mar-2015	At the end of the year			14630	0.03
3	Hemang D Mehta (Director)	1-Apr-2014	At the beginning of the year	51534	0.10	51534	0.10
		31-Mar-2015	At the end of the year			51534	0.10
Key Managerial Personnel							
1	Mr. M. S. Gilotra (Managing Director)	1-Apr-2014	At the beginning of the year	0	0	0	0
		31-Mar-2015	At the end of the year			0	0
2	Mr. Rakesh Mehta (Chief Financial Officer)	1-Apr-2014	At the beginning of the year	0	0	0	0
		31-Mar-2015	At the end of the year			0	0
3	Mrs. Sonali Sanas (Vice President (Legal) & Co. Secretary)	1-Apr-2014	At the beginning of the year	0	0	0	0
		31-Mar-2015	At the end of the year			0	0

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ In lacs) Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	11866.32	0	0	11866.32
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	46.37	0	0	46.37
<b>Total (i + ii + iii)</b>	<b>11912.69</b>	<b>0</b>	<b>0</b>	<b>11912.69</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	10674.43	0	0	10674.43
<b>Net Change</b>	<b>-10674.43</b>	<b>0</b>	<b>0</b>	<b>-10674.43</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1236.59	0	0	1236.59
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1.67	0	0	1.67
<b>Total (i + ii + iii)</b>	<b>1238.26</b>	<b>0</b>	<b>0</b>	<b>1238.26</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount ₹ lacs
		Mr. Jay M. Mehta (Executive Vice Chairman) 1.4.2014 to 31-3-2015 ₹ lacs	Mr. M. S. Gilotra (Managing Director) 1-4-2014 to 31-3-2015 ₹ lacs	
1	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income - tax Act, 1961	264.47	131.08	395.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	12.44	12.44
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>264.47</b>	<b>143.52</b>	<b>407.99</b>
	Ceiling as per the Act*			

**B. Remuneration to other directors**

Sr. No	Particulars of Remuneration	Name of Directors								Total Amount ₹ lacs
		Mr. S. V. S Raghavan	Mr. M. N. Rao	Mr. K. N. Bhandari	Mr. B. P. Deshmukh	Mr. Jayant Godbole	Mr. Bimal Thakkar	Mr. P K Behl	Mrs. Bhagyam Ramani	
1	Independent Directors									
	Fee for attending board committee meetings	1.50	4.90	1.70	1.20	1.90	1.40	1.70	1.50	15.80
	Commission	0	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0	0
	<b>Total (1)</b>	1.50	4.90	1.70	1.20	1.90	1.40	1.70	1.50	15.80
2	Other Non-Executive Directors	Mr. M. N. Mehta	Mr. H. D. Mehta	Mr. Hemnabh Khatau	Mr. Anil Kaul	Mr. Susheel Kak	Mr. Alexander Shaik	Mr. Navin Sambtani		
	Fee for attending board committee meetings	1.20	1.70	1.20	5.70	0.90	1.20	1.70		13.60
	Commission	0	0	0	0	0	0	0		0
	Others, please specify	0	0	0	0	0	0	0		0
	<b>Total (2)</b>	1.20	1.70	1.20	5.70	0.90	1.20	1.70		13.60
	<b>Total (B) = (1 + 2)</b>									29.40
	Total Managerial Remuneration									29.40
	Overall Ceiling as per the Act**									

\* As per part II of the Schedule V of the Companies Act, 2013

\*\* ₹ 1 lac per Director per meeting attended

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount ₹ lacs
		Company Secretary		Chief Financial Officer	
		Mrs. Anupama Pai (For the period 01/10/2014 to 30/11/2014 ₹ lacs	Mrs. Sonali Sanas (For the month of 31/03/2015) ₹ lacs	Mr. Rakesh Mehta (For the period of 01/10/2014 to 31/03/2015) ₹ lacs	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.35	2.62	23.43	<b>33.40</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	3.17	<b>3.17</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	<b>0</b>
2	Stock Option	0	0	0	<b>0</b>
3	Sweat Equity	0	0	0	<b>0</b>
4	Commission - as % of profit others, specify	0	0	0	<b>0</b>
5	Others, please specify	0	0	0	<b>0</b>
	<b>Total</b>	<b>7.35*</b>	<b>2.62</b>	<b>26.60</b>	<b>36.57</b>

\* Includes full and final settlement

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE G**

**The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given below:**

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:**

Executive Directors	Remuneration per annum 2014-15 (Please refer Note)	Employee Salary per annum - median	Ratio
Mr. Jay Mehta	₹ 264.47 lacs	₹ 3.69 lacs	71.67
Mr. M. S. Gilotra	₹ 143.52 lacs	₹ 3.69 lacs	38.89

Note : Remuneration means as defined under Section 2(78) of the Companies Act, 2013

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name	Designation	2013-14 (₹ in lacs)	2014-15 (₹ in lacs)	% age increase
Mr. Jay Mehta	Executive Vice Chairman	87.64	264.47	202%
Mr. M. S. Gilotra	Managing Director	127.62	143.52	12%

Note: Since Chief Financial Officer and Company Secretary are new appointment in the Company, the details of increase over previous year does not arise.

- c. The percentage increase in the median remuneration of employees in the financial year:**

	MEDIAN SALARY PA*	
2013-14	2014-15	% Increase
₹ 3.31 lacs	₹ 3.69 lacs	11.48%

\* It includes the accrued salaries of Wage Board employees payable as per Wage Board settlement.

- d. The number of permanent employees on the rolls of company:**

PERMANENT EMPLOYEES	484
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- e. The explanation on the relationship between average increase in remuneration and company performance:**

Particulars	2013-14 (₹ in lacs)	2014-15 (₹ in lacs)
Revenues from Operations/Turnover	53,136.24	56,270.64
EBITDA	6,288.24	12,747.13
EBITDA as % of Turnover	11.83%	22.65%
PBT	2,065.06	7,923.43
PBT as % of Turnover	3.89%	14.08%

The revenues from the operations of the Company for F. Y. 2014-15 increased by around 6% compared to the previous year. The average percentage increase in the remuneration of employees is around 13%. This also includes the accrued salaries of Wage Board employees as per Wage Board settlement. The average increase in the remuneration of employees was in accordance with business performance and best industry practice.

- f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The profit for F.Y. 2014-15 before exceptional items and tax have increased by around 134% over the previous year. Further, the Company was able to dispose of 100% of finished material at reasonable rate compared to the previous year. Thus, the increase in remuneration of employees including KMP is in line with the Business performance.

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2014	March 31, 2015	% Change
Market Capitalisation (₹ crores)	95.11	222.43	133.87
Price Earnings Ratio	4.81	3.33	-30.77



- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31,2015	1st October, 1993 (IPO)	% Change
Market Price per share (BSE)	₹ 43.45	₹ 90.00	-52

- i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase in the remuneration of employees is around 13%. This includes the accrued salaries of Wage Board employees as per Wage Board settlement. The justification of increase in managerial remuneration is provided at (f) above.

- j. **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

	Mr. Jay Mehta, Executive Vice Chairman	Mr. M. S. Gilotra, Managing Director
Remuneration in FY 15 (₹ crores)	2.64	1.44
Revenues (₹ crores)	562.71	562.71
Remuneration as % of revenue	0.47%	0.26%
Profit before Tax (PBT) (₹ crores)	79.23	79.23
Remuneration (as % of PBT)	3.33%	1.82%

- k. **The key parameters for any variable component of remuneration availed by the directors:**

Not applicable.

- l. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Nil

- m. **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- n. **The statement containing particulars of employees as required under Section 197(12) of the Act ready with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below.**

Name of the Employee	Mr. Subhash Chander Khanna	Mr. Narendra Singh	Mr. Prakash Kunte
Designation of the employee	Executive Director - Ops. & Proj.	President – Works	Director – HR
Remuneration received per annum	₹ 118.33 lacs	₹ 74.76 lacs	₹ 73.86 lacs
Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent
Qualification and experience of the employee	B.Tech –(Mech.) 37 years of experience	B.E.(Elect.) 16 years of experience	B.Sc. LLB, MPM 24 years of experience
Date of commencement of employment	1.10.2009	25.8.2008	11.5.2005
Age	63	44	58
Last employment held by such employee before joining the company	SCOUL- Uganda	ACC Ltd	Raymond Ltd., Mumbai
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Nil	Nil	Nil
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No	No	No

**Details of the employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month.**

Name of the Employee	Mr. V. R. Mohnot
Designation of the employee	Director (Finance) & Company Secretary
Remuneration received per annum	₹ 53.36 lacs
Nature of employment, whether contractual or otherwise	Permanent
Qualification and experience of the employee	C.A., C.S. 33 years of experience
Date of commencement of employment	1.10.2007
Age	55
Last employment held by such employee before joining the company	Gujarat Sidhee Cement Limited
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Nil
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

**Details of the employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the company.**

None

On behalf of the Board of Directors

Place : Mumbai  
Dated : 14.5.2015

**M. S. Gilotra**  
Managing Director

**Jay Mehta**  
Executive Vice Chairman

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

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

We have audited the accompanying standalone financial statements of **SAURASHTRA CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
    - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place : MUMBAI  
Date : May 14, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the standalone financial statements for the year ended March 31, 2015.

We report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management according to a phased programme designed to cover all the fixed assets over a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a material portion of the fixed assets have been verified by the management during the year, and no material discrepancies have been noticed on such verification.
- 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 has maintained proper records of its inventories and no material discrepancies have been noticed on physical verification between the physical stocks and book records.
- iii. a. As per the information furnished, in earlier years, the Company had granted interest-free unsecured deposit to one of its subsidiary, which is a company covered in the Register maintained under Section 189 of the Act.
- b. As regards interest-free deposit to the subsidiary, the terms and conditions of the deposit, including repayment thereof have not 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.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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, no major weaknesses have been observed in such internal control system.
- v. In our opinion and according to the information and explanations given to us, as the Company has not accepted any deposit from the public, Clause 3 (v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under, are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148 (1) of the Act in respect of its products and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. 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 Provident Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues 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, Sales-tax, Wealth-tax or Cess is required to be deposited under dispute. In respect of Value Added Tax, Customs Duty, Excise Duty and Service Tax, which have not been deposited as on March 31, 2015 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	472.93		
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, interest and penalty	290.45	2012-2013	
Duty, interest and penalty	266.64	2011-2012	CESTAT
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
Penalty	0.70	2012-2013	Commissioner of Excise (Appeals)
Service Tax – Central Excise Act, 1944			
Tax and penalty	490.86	2005-2014	CESTAT
Tax and penalty	2.39	2006-2007	CESTAT
Tax and penalty	44.11	2006-2011	CESTAT

- c. The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The accumulated losses of the Company at the end of the financial year 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.
- ix. 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 the repayment of dues to financial institutions, banks or debenture holders.
- x. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 3 (x) of the Order, to comment on whether the terms and conditions are prejudicial to the interest of the Company is not applicable.
- xi. The Company has not obtained any term loan during the year, and accordingly, requirement of Clause 3 (xi) of the Order, to comment on whether the term loans obtained during the year by the Company were applied for the purpose for which the loans were obtained is not applicable.
- xii. Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

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

Place : MUMBAI  
Date : May 14, 2015

## BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	18,009.37		11,249.35
			<b>23,816.39</b>	17,056.37
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	Nil		3,781.27
Other Long-term Liabilities	5	773.97		711.60
Long-term Provisions	6	952.99		807.07
			<b>1,726.96</b>	5,299.94
<b>Current Liabilities</b>				
Short-term Borrowings	7	442.35		574.52
Trade Payables	8	4,565.24		3,469.63
Other Current Liabilities	9	9,182.44		14,529.43
Short-term Provisions	10	864.33		365.32
			<b>15,054.36</b>	18,938.90
		<b>TOTAL</b>	<b>40,597.71</b>	41,295.21
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed Assets	11			
Tangible Assets		17,714.35		18,731.67
Intangible Assets		85.31		133.40
Tangible Capital Work-in-progress		5,260.35		5,909.51
		<b>23,060.01</b>		24,774.58
Non-current Investments	12	1,880.18		1,880.19
Deferred Tax Assets (net)	13	921.79		Nil
Long-term Loans and Advances	14	1,144.01		1,209.39
Other Non-current Assets	15	80.96		318.78
			<b>27,086.95</b>	28,182.94
<b>Current Assets</b>				
Inventories	16	7,752.60		5,674.36
Trade Receivables	17	1,936.44		1,611.48
Cash and Bank Balances	18	2,104.42		4,046.94
Short-term Loans and Advances	19	1,546.58		1,413.72
Other Current Assets	20	170.72		365.77
			<b>13,510.76</b>	13,112.27
		<b>TOTAL</b>	<b>40,597.71</b>	41,295.21

**Significant Accounting Policies and Notes are an integral part of the Financial Statements**

1 - 39

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 14, 2015

**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>Rakesh H. Mehta</b>	Chief Financial Officer
<b>Sonali Sanas</b>	Vice President (Legal) & Company Secretary

Mumbai, Dated May 14, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		For the Year ended March 31, 2015	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Note	₹ in lacs	₹ in lacs	₹ in lacs
Revenue from Operations (Gross)	21		62,948.26	58,544.71
Less: Excise Duty			6,677.62	5,408.47
Revenue from Operations (Net)			56,270.64	53,136.24
Other Income	22		720.79	460.70
<b>Total Revenue</b>			<b>56,991.43</b>	<b>53,596.94</b>
<b>Expenses</b>				
Cost of Materials Consumed	23		4,814.42	3,685.35
Purchases of Stock-in-trade	24		1,436.22	3,983.82
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25		(700.83)	307.79
Employee Benefits Expense	26		3,510.76	3,003.32
Finance Costs	27		1,337.55	1,636.97
Depreciation, Amortisation and Impairment	11	3,486.15		2,604.48
Less: Amount Withdrawn from Revaluation Reserve			Nil	18.27
			3,486.15	2,586.21
Other Expenses	28		38,273.29	36,328.42
<b>Total Expenses</b>			<b>52,157.56</b>	<b>51,531.88</b>
<b>Profit before Exceptional Items and Tax</b>			<b>4,833.87</b>	<b>2,065.06</b>
Exceptional Items	29		3,089.56	Nil
<b>Profit before Tax</b>			<b>7,923.43</b>	<b>2,065.06</b>
<b>Tax Expense</b>				
Current Tax		2,085.20		538.07
MAT Credit Entitlement			Nil	538.07
		2,085.20		Nil
Deferred Tax (Refer Note 13)		(921.79)		Nil
			1,163.41	Nil
<b>Profit for the year</b>			<b>6,760.02</b>	<b>2,065.06</b>
<b>Earnings per equity share of ₹ 10 par value per share</b>				
Basic and diluted (₹ per share)	37		13.03	3.86

**Significant Accounting Policies and Notes are an integral part of the Financial Statements**

1 - 39

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 14, 2015

**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>Rakesh H. Mehta</b>	Chief Financial Officer
<b>Sonali Sanas</b>	Vice President (Legal) & Company Secretary

Mumbai, Dated May 14, 2015



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in lacs	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before tax</b>		<b>7,923.43</b>	2,065.06
Adjustments for :			
Add: Finance Costs	<b>1,337.55</b>		1,636.97
Loss on Sale of Assets / Capital WIP Written Off	<b>28.96</b>		421.89
Provision for Doubtful debts / Bad Debts Written Off	<b>24.58</b>		14.49
Depreciation, Amortisation and Impairment	<b>3,486.15</b>		2,586.21
		<b>4,877.24</b>	4,659.56
Less: Interest Income	<b>282.57</b>		286.19
Dividends Received	<b>0.43</b>		0.04
Excess Provision and Sundry Credit Balances Written Back	<b>208.45</b>		110.21
Provision for Doubtful Debts no longer required	<b>34.53</b>		6.28
Exceptional Items	<b>3,089.56</b>		Nil
		<b>(3,615.54)</b>	(402.72)
<b>Operating profit before working capital changes</b>		<b>9,185.12</b>	6,321.90
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	<b>182.11</b>		(67.96)
Trade Payables and Other Current Liabilities	<b>3,485.30</b>		649.93
Long-term Loans and Advances and Other Non-current Assets	<b>(43.14)</b>		386.80
Inventories	<b>(2,078.24)</b>		992.08
Trade Receivables and Short-term Loans and Advances	<b>(855.69)</b>		830.80
Other Current Assets	<b>251.28</b>		(226.02)
		<b>941.62</b>	2,565.63
<b>Cash generated from operations</b>		<b>10,126.74</b>	8,887.53
Add: Direct Taxes (Payments) / Refunds		<b>(1,930.13)</b>	(588.50)
<b>Net cash flow from operating activities</b>		<b>8,196.61</b>	8,299.03

	March 31, 2015 ₹ in lacs	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets / Capital Work-in-progress	(1,605.06)		(815.19)
Sale of Fixed Assets	3,219.25		115.25
Sale of Non-current Investments	0.01		Nil
Interest Income	226.34		456.68
Dividends Received	0.43		0.04
<b>Net cash flow from / (used in) investing activities</b>		<b>1,840.97</b>	<b>(243.22)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	Nil		11.54
Repayment of Long-term Borrowings	(10,497.56)		(5,862.87)
Dues (From) / To Subsidiaries	(1.43)		(8.31)
Short-term Borrowings	(132.17)		1.29
Deposits held as Margin Money	1,953.91		(760.80)
Finance Costs Paid	(1,348.94)		(1,562.02)
<b>Net cash flow used in financing activities</b>		<b>(10,026.19)</b>	<b>(8,181.17)</b>
<b>Net increase in cash and cash equivalents</b>		<b>11.39</b>	<b>(125.36)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>1,947.48</b>	<b>2,072.84</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		<b>1,958.87</b>	<b>1,947.48</b>

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3, as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 14, 2015

**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*  
**Rakesh H. Mehta** *Chief Financial Officer*  
**Sonali Sanas** *Vice President (Legal) & Company Secretary*

Mumbai, Dated May 14, 2015

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at its manufacturing facilities at Ranavav, Gujarat) as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these financial statements are in accordance with the Accounting Standards as referred to herein.

#### 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.

#### 1.4 Depreciation / Amortisation :

- i. Depreciation on tangible fixed assets (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013.  
In view of the period of right to use of 15 years the cost of Jetty is amortised on the "Straight-line Method" over the said period. Addition thereto, is amortised over the residual years of its right to use.  
Premium on leasehold land of long lease duration is not amortised, being not material.  
Depreciation on revalued assets are calculated on net replacement value ascertained as at June 30, 1993.  
The amount equivalent to depreciation provided on the revalued assets as reduced by that of the original cost of the assets is transferred to the General Reserve from Revaluation Reserve, to the extent of availability of the Revaluation Reserve.
- ii. Intangible assets being computer softwares are amortised on the "Straight-line Method" over a period of 3 years.

#### 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 geographic allocation 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, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>a. Equity Shares, of ₹ 10 par value</b>				
At the beginning	5,11,91,065	5,119.11	5,11,91,065	5,119.11
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>5,11,91,065</u>	<u>5,119.11</u>	<u>5,11,91,065</u>	<u>5,119.11</u>
<b>b. Preference Shares, of ₹ 100 par value</b>				
At the beginning	6,87,595	687.60	6,87,595	687.60
Changes during the year	Nil	Nil	Nil	Nil
At the end	<u>6,87,595</u>	<u>687.60</u>	<u>6,87,595</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, 2015 / March 31, 2014.
- 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. These preference shares do not carry any voting right. However, as per the provisions of the Companies Act, 2013, if the dividend on such preference shares has not been paid for a period of two years or more, the holders of such preference shares shall have a right to vote on all resolutions placed before the Company.
- 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, 2015		As at March 31, 2014	
	Numbers	%	Numbers	%
<b>a. Equity Shares</b>				
Villa Trading Company Private Limited	1,17,45,167	22.94%	*	*
TransAsia Investments And Trading Limited	80,00,000	15.63%	80,00,000	15.63%
Mauritius Debt Management Limited	56,77,884	11.09%	74,50,000	14.55%
Jagmi Investments Limited	51,75,000	10.11%	51,75,000	10.11%
Sampson Limited	40,00,000	7.81%	40,00,000	7.81%
Clarence Investments Limited	36,86,599	7.20%	1,28,86,599	25.17%
<b>b. Preference Shares</b>				
India Debt Management Private Limited	5,12,398	74.52%	5,12,398	74.52%
A.M.Fadia - Trustee of SCL Preference Shares Trust [Refer Note 2 (b) (iv) above]	1,74,557	25.39%	1,74,557	25.39%

\* Is not disclosed as below 5%



	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>3 RESERVES AND SURPLUS</b>		
<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>256.97</b>	275.24
Less: Transferred to General Reserve *	<b>18.52</b>	Nil
Less: Transferred to the Statement of Profit and Loss for Depreciation	<b>Nil</b>	18.27
As at the end of the year	<b>238.45</b>	256.97
<b>General Reserve</b> - As per last Balance Sheet	<b>4,377.97</b>	4,377.97
Add: Transferred from Revaluation Reserve *	<b>18.52</b>	Nil
	<b>4,396.49</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>8,670.26</b>	10,735.32
Less: Transferred from the Statement of Profit and Loss	<b>6,760.02</b>	2,065.06
As at the end of the year	<b>(1,910.24)</b>	(8,670.26)
	<b>18,009.37</b>	11,249.35

\* As per the "Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India (ICAI), for the year ended March 31, 2014, the amount of depreciation on the revaluation of Fixed Assets is transferred to the Statement of Profit and Loss. However, for the year ended March 31, 2015, as suggested in the Application Guide on the Provisions of Schedule II to The Companies Act, 2013 issued by ICAI the amount of depreciation on the revaluation is withdrawn and transferred to General Reserve.

As at  
**March 31, 2015**      As at  
March 31, 2014  
₹ 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		
17,85,286	12% Public	Nil	25.00		
9,80,246	12% Public	4.68	25.00		
2,59,150	12% Public	Nil	50.00		
1,48,905	12% Public	10.00	50.00		
9,00,000	12% Private	1.50	25.00	Nil	224.08
<b>Term Loans</b>					
	From Banks			Nil	331.93
	From Others			Nil	3,225.26
				Nil	3,557.19
				Nil	3,781.27

### 4.1

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, 2015		As at March 31, 2014	
	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.	Nil	60.78	179.08	716.33
b. Private Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	Nil	13.50	45.00	180.00
c. Term Loans from Banks - Under CDR	Nil	200.40	331.93	1,227.59
d. Term Loans from Banks - Others	Nil	Nil	Nil	14.00
e. Term Loans from Others-Financial Institutions Under CDR (including Funded interest term loans on Debentures)	Nil	103.07	250.26	873.84
f. Term Loans from Others - Under CDR (including Funded interest term loans on Debentures)	Nil	404.66	554.22	1,947.09
g. Term Loans from Others - Vehicle	Nil	11.83	11.83	11.62
h. Term Loans from Others - Others	Nil	Nil	2,408.95	2,540.06
	Nil	794.24	3,781.27	7,510.53

## II. Security:

- a. 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.
- b. 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.
- c. 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.
- d. 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:

- a. 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 was 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. However, these amounts have been paid before the year-end.
- c. For Part I (a), (b), (c), (e) and (f);
  - i. The Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
  - ii. The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
  - iii. 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.
  - iv. 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, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposits from Customers / Transporters	773.97	711.60
	<u>773.97</u>	<u>711.60</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>6 LONG-TERM PROVISIONS</b>		
For Employee Benefits - Gratuity and Compensated absences (Refer Note 34)	952.99	807.07
	<u>952.99</u>	<u>807.07</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>7 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	1.03	134.83
Others	441.32	439.69
	<u>442.35</u>	<u>574.52</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 ₹ 63 only (Previous Year ₹ 0.82 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>8 TRADE PAYABLES</b>		
Amounts Payable to a Related Party [Refer Note 36.2(iv)(d)]	Nil	149.10
Others	4,565.24	3,320.53
	<u>4,565.24</u>	<u>3,469.63</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	1.72	3.12
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	Nil	0.01
iv. Interest accrued and remaining unpaid	Nil	0.01
v. Interest due and payable even in succeeding years	1.07	1.07

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	74.28	896.33
Term Loans		
From Banks	200.40	1,241.59
From Others	519.56	5,372.61
	794.24	7,510.53
Interest Accrued but not Due on Borrowings *	1.67	46.37
Unclaimed Share Application Money	14.77	14.77
Statutory Dues	3,221.89	2,190.09
Advances from Customers	1,612.43	1,887.79
Other Payables		
Creditors for Capital Items	110.05	77.75
Liabilities for Expenses at the year-end	2,313.30	2,743.77
Others (Refer Note 9.2 below)	1,114.09	58.36
	3,537.44	2,879.88
	9,182.44	14,529.43

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

- 9.2** i. Based on the recommendation of the Asset Sales Committee (ASC) formed under the supervision of IFCl Limited, as required by the Board for Industrial and Financial Reconstruction ('BIFR'), the Company had decided to dispose of a residential flat on 'as is where is basis'.
- ii. The said flat was first offered to a buyer being the sole bidder on May 2, 2014 and the buyer had deposited ₹ 1037.00 lacs (Previous Year ₹ Nil) on various dates. However, on the failure of the buyer to deposit the balance amounts on various grounds the transaction was cancelled by the ASC and the sum of ₹ 1037.00 lacs received is retained by the Company. The said amount presently is shown under Other Current Liabilities - Other Payables - Others.
- iii. Aggrieved by the same, the buyer has approached the BIFR / AAIFR, for relief, the application of which is pending.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>10 Short-term Provisions</b>		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 34)	216.42	210.59
Others		
Provision for Taxation	2,085.20	Nil
Less: Taxes paid	1,534.88	Nil
Less: MAT Entitlement Utilised	132.47	Nil
	417.85	Nil
Excise duty on Stocks and Wealth-tax	230.06	154.73
	647.91	154.73
	864.33	365.32

Notes forming part of financial statements										₹ in lacs
111 Fixed Assets [Refer Note (i)]		Gross Block			Depreciation, Amortisation and Impairment			Net Block		
	As at April 1, 2014	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year Adjustments	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014	
Tangible Fixed Assets										
Freehold land	239.08	Nil	Nil	239.08	Nil	Nil	Nil	239.08	239.08	
	239.08	Nil	Nil	239.08	Nil	Nil	Nil	239.08	239.08	
Leasehold land	21.45	Nil	Nil	21.45	Nil	Nil	Nil	21.45	21.45	
[Refer Note (ii)]	21.45	Nil	Nil	21.45	Nil	Nil	Nil	21.45	21.45	
Buildings and Jetty	6,111.61	249.95	96.08	6,265.48	3,603.53	213.77	8.91	3,808.39	2,457.09	
[Refer Note (iii)]	6,085.90	25.71	Nil	6,111.61	3,365.47	238.06	Nil	3,603.53	2,508.08	
Plant and equipments	44,795.32	111.64	Nil	44,906.96	30,310.11	859.33	Nil	31,169.44	13,737.52	
[Refer Note(iv), (v)]	45,413.25	419.03	1,036.95	44,795.33	29,297.62	1,632.25	619.76	30,310.11	14,485.21	
Furniture and Fixtures	1,183.87	73.84	13.76	1,243.95	699.45	151.97	5.84	845.58	14,485.22	
	1,164.53	51.19	31.85	1,183.87	666.25	51.03	17.83	699.45	16,115.63	
Vehicles	1,423.97	131.90	90.63	1,465.24	704.47	129.75	33.66	800.56	398.37	
[Refer Note (vi)]	1,445.63	177.15	198.80	1,423.98	707.10	91.70	94.33	704.47	484.42	
Office equipments	552.58	60.00	22.24	590.34	291.73	128.66	15.65	404.74	664.68	
	531.03	27.98	6.43	552.58	253.27	43.43	4.97	291.73	719.51	
Railway siding, weighbridge, rolling stock and locomotives	281.56	Nil	Nil	281.56	268.48	2.52	Nil	271.00	738.53	
	281.56	Nil	Nil	281.56	266.96	1.52	Nil	268.48	185.60	
Current Year	54,609.44	627.33	222.71	55,014.06	35,877.77	1,486.00	64.06	37,299.71	260.85	
Previous year	55,182.41	701.06	1,274.03	54,609.44	34,556.67	2,057.99	736.89	35,877.77	277.76	
Intangible Fixed Assets										
Other than internally generated Computer softwares										
Current Year	238.71	23.04	Nil	261.75	105.31	71.13	Nil	176.44	85.31	
Previous year	99.03	139.68	Nil	238.71	65.89	39.42	Nil	105.31	133.40	
Capital work-in-progress										
Tangible Capital WIP										
[Refer Note (vii)]										
Current Year	8,399.59	1,563.33	283.47	9,679.45	2,490.08	1,929.02	Nil	4,419.10	5,260.35	
Previous year	8,341.11	554.28	495.80	8,399.59	1,983.01	507.07	Nil	2,490.08	5,909.51	
Intangible Capital WIP										
Computer softwares										
Current Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Previous year	69.75	Nil	69.75	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total										
Current Year	63,247.74	2,213.70	506.18	64,955.26	38,473.16	3,486.15	64.06	41,895.25	23,060.01	
Previous year	63,692.30	1,395.02	1,839.58	63,247.74	36,605.57	2,604.48	736.89	38,473.16	24,774.58	

## 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 related to a residential flat, held in a Co-operative Society included under Note 12 of Non-current Investments. The said residential flat and related shares have been sold during the year.
- 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 Viji Company Limited.
- v. Vehicles include assets financed under hire purchase agreements.
- vi. Effective April 1, 2014, the Company has provided depreciation on its tangible fixed assets as per the useful lives and residual values specified in Part C of Schedule II to the Companies Act, 2013 or based on the period of use available to the Company (primarily consisting of Jetty). Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 197.90 lacs. Further, in view of the Notification No. GSR 627(E) of August 29, 2014 amending Schedule II, on the basis of option available, the Company has then decided to charge the carrying amount of assets, after retaining residual value, in cases where the remaining useful life has been completed as on April 1, 2014 by way of depreciation to the Statement of Profit and Loss and accordingly, the sum of ₹ 144.12 lacs is included in depreciation for the year.

### vii. Impairment of Assets :

- a. The Company had incurred an aggregate sum of ₹ 8107.17 lacs (Previous Year ₹ 7838.15 lacs) towards Expansion Project Assets, and reflected the same 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 (b) below. However, later on in the year 2005, due to several adversities, the project was suspended.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>b. Capital work-in-progress includes pre-operative expenses, as under:</b>		
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
	<b>3,918.98</b>	<b>3,918.98</b>

- c. The Company decided to dispose of the Expansion Project Assets, through the Asset Sale Committee (ASC) constituted under the aegis of BIFR, subject to necessary approvals of the Company's Lenders / BIFR. As advised by the ASC, a valuation report for these assets was obtained from the empanelled valuer of IFCI (Monitoring Agency) and the reserve price was fixed at Fair Market Value (FMV). As per the valuation report updated in April, 2015, the FMV of the expansion project machinery was ₹ 3688.07 lacs. The aggregate impairment of ₹ 4419.10 lacs (Previous Year ₹ 2490.08 lacs), including ₹ 1929.02 lacs for the year (Previous Year ₹ 507.07 lacs), is recognised as required under Accounting Standard 28 on "Impairment of Assets". As at the year ended on March 31, 2014, the impairment provision was made considering the recoverable amount (net selling price) as value in use.

		As at March 31, 2015 ₹ in lacs		As at March 31, 2014 ₹ 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	
		3,544.87		3,544.87	
Less: Provision for diminution in value		1,712.50		1,712.50	
			1,832.37		1,832.37
Other than Trade					
In Equity Instruments of Others					
Quoted					
(Fully paid equity shares of ₹ 10 each)					
Quantity	Investee company				
70,500	MTZ Industries Limited	35.25		35.25	
30,00,000	MTZ Polyfilms Limited	600.00		600.00	
200	Dena Bank Limited	0.06		0.06	
		635.31		635.31	
Less: Provision for diminution in value		588.75		588.75	
			46.56		46.56
Unquoted					
Quantity	Investee company	Face Value			
		₹ per share			
0 (10)	IL-Palazzo CHS Limited *	50			
2,001	Rajkot Nagrik Sahakari Bank Limited	50			
2,500	Saraswat Co-op Bank Limited	10	1.25		1.26
			47.81		47.82
Quantity in bracket indicate previous year figure.			1,880.18		1,880.19
* Sold during the year. Also Refer Note 11.1 (iii).					
		As at March 31, 2015		As at March 31, 2014	
		₹ 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	39.61
Aggregate amount of unquoted investments		3,546.12	Nil	3,546.13	Nil
		4,181.43		4,181.44	
Aggregate provision on non current investments		2,301.25		2,301.25	



### 13 ACCOUNTING FOR TAXES ON INCOME

As required by Accounting Standard 22 on "Accounting for Taxes on Income", the Company has reviewed its Deferred Tax Asset (DTA) recognised till last year. Hitherto, 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. During the year, in view of the taxable profits, DTA is recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Details of DTA and DTL are as under:

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>Deferred Tax Assets</b>		
i. Accrued expenses deductible on cash basis	1,409.75	249.71
ii. Accrued expenses deductible on payment of TDS thereon	721.16	Nil
iii. Provision for Impairment	1,502.05	846.38
Closing balance	<u>3,632.96</u>	<u>1,096.09</u>
<b>Deferred Tax Liabilities</b>		
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 2013	2,711.17	1,096.09
<b>Deferred Tax Assets - Net</b>	<u>921.79</u>	<u>Nil</u>

### 14 LONG-TERM LOANS AND ADVANCES

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>Unsecured - considered good</b>		
Capital Advances	318.26	374.41
Security Deposits	407.68	400.59
Loans and Advances to Related Parties - to Subsidiaries		
Interest-free Deposits	34.40	34.40
Other Receivables [Refer Note 36.2(i)(a)]	<u>194.99</u>	<u>193.56</u>
	229.39	227.96
Other Loans and Advances		
Staff Advance	15.63	10.78
Taxes Paid (Net of Provision of ₹ 538.07 lacs, Previous year ₹ 538.07 lacs)	<u>173.05</u>	<u>195.65</u>
	188.68	206.43
<b>Unsecured, Considered Doubtful</b>		
Intercompany Deposits	Nil	554.76
Less: Provision for Bad and Doubtful Deposits	<u>Nil</u>	<u>554.76</u>
	Nil	Nil
	<u>1,144.01</u>	<u>1,209.39</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>15 OTHER NON-CURRENT ASSETS</b>		
Inventories		
Stores and Spare Parts *	Nil	269.02
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	167.27	201.79
Less: Provision for Bad and Doubtful Debts	<u>167.27</u>	<u>201.79</u>
	Nil	Nil
Deposits with Banks		
Maturity beyond 12 months from the Balance Sheet Date		
Held as Margin Money	80.96	49.76
	<u>80.96</u>	<u>318.78</u>

\* Stores and spare parts were related to Expansion Project Assets and not inventories, and accordingly, the same are now reflected under Capital Work-in-progress. [Refer Note 11.1(vii)]

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>16 INVENTORIES</b>		
Raw Materials	1,077.07	1,023.81
Packing Materials	139.51	149.63
Work-in-progress	1,096.30	466.07
Finished Goods	1,012.22	866.99
Fuels	2,173.15	1,726.31
Stores and Spare Parts	2,237.89	1,407.58
Stores and Spare Parts in-transit	<u>16.46</u>	<u>33.97</u>
	2,254.35	1,441.55
	<u>7,752.60</u>	<u>5,674.36</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ 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	292.67	325.91
Others		
Amounts Receivable from a related party [Refer Note 36.2(iv)(d)]	8.64	Nil
Others	<u>1,635.13</u>	<u>1,285.57</u>
	1,643.77	1,285.57
	<u>1,936.44</u>	<u>1,611.48</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>18 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	855.66	1,143.08
Fixed Deposits (Original maturity upto 3 months)	1,099.00	800.00
Cash on Hand	4.21	4.40
	<b>1,958.87</b>	<b>1,947.48</b>
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)	145.12	149.03
Others (Original maturity more than 3 months and upto 12 months)	Nil	1,950.00
	<b>145.12</b>	<b>2,099.03</b>
	<b>2,104.42</b>	<b>4,046.94</b>
	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Other Loans and Advances		
Balances with Statutory / Government Authorities	481.31	377.91
MAT Credit Entitlement	405.60	538.07
Prepaid Expenses	138.43	95.25
Advances Recoverable in cash or in kind or for value to be received	76.76	110.21
Advances Against Purchase of Stores	444.48	292.28
	<b>1,546.58</b>	<b>1,413.72</b>
	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>20 OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
Export Benefits Receivable	32.62	82.06
Receivable on Sale of Discarded Assets	Nil	201.84
Interest and Other Receivable	138.10	81.87
	<b>170.72</b>	<b>365.77</b>

		For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>21 REVENUE FROM OPERATIONS</b>			
Sale of Products			
Manufactured Goods	<b>61,185.61</b>		53,983.82
Traded Goods	<b>1,304.94</b>		4,057.34
		<b>62,490.55</b>	58,041.16
Other Operating Revenues			
Sale of Power	<b>144.24</b>		128.22
Sale of Scrap	<b>218.89</b>		181.02
Export Entitlements	<b>94.58</b>		194.31
		<b>457.71</b>	503.55
		<b>62,948.26</b>	58,544.71
Less: Excise Duty		<b>6,677.62</b>	5,408.47
		<b>56,270.64</b>	53,136.24
<b>Details of Products Sold</b>			
Sale of Manufactured Goods			
Cement		<b>61,070.46</b>	50,609.17
Clinker		<b>115.15</b>	3,374.65
		<b>61,185.61</b>	53,983.82
Sale of Traded Goods			
Cement		<b>1,304.94</b>	2,356.70
Clinker		<b>Nil</b>	1,700.64
		<b>1,304.94</b>	4,057.34

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>22 OTHER INCOME</b>		
Interest Income on		
Fixed Deposits with Banks	256.99	168.02
Fixed deposits with a State Financial Corporation	19.61	108.44
Others	5.97	9.73
	<b>282.57</b>	286.19
Dividends Income from Long-term Investments - others	0.43	0.04
Miscellaneous Income (including overheads shared)	177.83	51.03
Insurance Claims	8.10	6.95
Bad Debts Recovered	8.88	Nil
Provision for Doubtful Debts no longer required	34.53	6.28
Excess Provision Written Back	106.97	83.01
Sundry Credit Balances Written Back	101.48	27.20
	<b>720.79</b>	460.70

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>23 COST OF MATERIALS CONSUMED</b>		
Raw Materials		
Opening Stock of Raw Materials	1,023.81	1,138.36
Add: Purchases	3,099.86	1,922.45
	<u>4,123.67</u>	<u>3,060.81</u>
Less: Closing Stock of Raw Materials	<u>1,077.07</u>	<u>1,023.81</u>
	<b>3,046.60</b>	<b>2,037.00</b>
Packing Materials		
Opening Stock of Packing Materials	149.63	147.06
Add: Purchases	1,757.70	1,650.92
	<u>1,907.33</u>	<u>1,797.98</u>
Less: Closing Stock of Packing Materials	<u>139.51</u>	<u>149.63</u>
	<u><b>1,767.82</b></u>	<u><b>1,648.35</b></u>
	<u><b>4,814.42</b></u>	<u><b>3,685.35</b></u>
Details of Raw Materials Consumed		
Gypsum	833.71	635.35
Fly Ash	722.42	457.04
Iron Ore	237.05	235.09
Clinker Purchased	1,131.14	580.05
Others	122.28	129.47
	<u><b>3,046.60</b></u>	<u><b>2,037.00</b></u>
	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>24 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Traded Goods		
Cement	1,436.22	2,343.08
Clinker	Nil	1,640.74
	<u><b>1,436.22</b></u>	<u><b>3,983.82</b></u>

		<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
Stocks at the end			
Finished Goods - Cement	<b>1,012.22</b>		866.99
Work-in-progress - Raw Flour and Clinker	<b>1,096.30</b>		466.07
		<b>2,108.52</b>	1,333.06
Less: Stocks at the Beginning			
Finished Goods - Cement	<b>866.99</b>		698.58
Work-in-progress - Raw Flour and Clinker	<b>466.07</b>		861.09
		<b>1,333.06</b>	1,559.67
		<b>(775.46)</b>	226.61
Increase in Excise Duty on Stocks		<b>74.63</b>	81.18
		<b>(700.83)</b>	307.79
<hr/>			
		<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
<b>26 EMPLOYEE BENEFITS EXPENSE</b>			
(Refer Note 28.1)			
Salaries, Wages and Bonus		<b>3,002.36</b>	2,692.83
Contribution to Provident and Other Funds		<b>167.59</b>	152.36
Gratuity Expense		<b>208.76</b>	72.24
Staff Welfare Expenses		<b>132.05</b>	85.89
		<b>3,510.76</b>	3,003.32
<hr/>			
		<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
<b>27 FINANCE COSTS</b>			
Interest expense			
On Borrowings	<b>670.63</b>		1,322.06
On Custom Duty, Service Tax and Income Tax	<b>397.73</b>		Nil
On Others	<b>266.52</b>		312.55
		<b>1,334.88</b>	1,634.61
Other Borrowing Costs		<b>2.67</b>	2.36
		<b>1,337.55</b>	1,636.97

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>28 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3,994.14	3,730.59
Power and Fuel	15,469.48	15,321.92
Rent	228.88	228.05
Repairs and Maintenance:		
Buildings, etc.	349.55	267.01
Machinery	1,858.58	1,838.31
Others	535.20	495.38
	<b>2,743.33</b>	<b>2,600.70</b>
Insurance	128.78	117.89
Rates and Taxes	662.88	338.31
Raw Material Handling Charges [Refer Note 28.1 (a)]	431.84	565.78
Limestone / Marl Raising Charges [Refer Note 28.1 (a)]	1,288.97	747.61
Royalty and Cess [Refer Note 28.1 (a)]	1,196.32	964.57
Advertisement and Business Promotion Expenses	1,837.32	1,543.05
Freight and Handling Expenses	7,839.50	7,461.28
Commission	781.26	732.71
Directors' Fees	29.40	15.80
Charity and Donation	21.05	28.92
Traveling and Conveyance	228.47	180.63
Legal and Professional Charges	397.12	303.38
Net Loss on Foreign Currency Transactions and Translation	54.74	98.76
Auditor's Remuneration		
Audit Fees	9.30	7.00
Tax Audit Fees	Nil	2.65
For Other Services - Certification Work	3.65	3.95
	<b>12.95</b>	<b>13.60</b>
Provision for Doubtful Debts	0.01	14.49
Bad Debts Written Off	24.57	Nil
Loss on Sale of Assets (Net)	28.96	240.45
Capital Work-in-progress Written Off	Nil	181.44
Inter Corporate Deposits (ICD) Written Off	554.76	Nil
Provision for Doubtful ICD no longer required	(554.76)	Nil
	<b>Nil</b>	<b>Nil</b>
Miscellaneous Expenses	932.65	921.49
Cost of Cement Self Consumed [Refer Note 28.1 (b)]	(59.32)	(23.00)
	<b>38,273.29</b>	<b>36,328.42</b>

#### 28.1 Notes

- a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) as incurred on cost of raising and transporting limestone / marl are as under:
- |                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Salaries, Wages and Bonus            | 60.00           | 80.00           |
| Stores and Spare Parts Consumed      | 386.53          | 275.38          |
| Repairs and Maintenance to Machinery | 67.04           | 123.78          |
| Raw Material Handling Charges        | 338.83          | 435.21          |
| Limestone / Marl Raising Charges     | 1,288.97        | 747.61          |
| Royalty and Cess                     | 1,008.53        | 829.53          |
|                                      | <b>3,149.90</b> | <b>2,491.51</b> |
- b. Cost of cement self consumed also includes other material costs and depreciation.

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>29 EXCEPTIONAL ITEMS</b>		
Profit on Sale of Residential Flats	<b>3,089.56</b>	Nil
	<b>3,089.56</b>	Nil

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>30 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax liabilities	<b>435.67</b>	435.67
ii. Excise Duty	<b>297.40</b>	296.71
iii. Service Tax	<b>46.49</b>	105.00
iv. Royalty	<b>15.12</b>	15.12
v. Customs Duty	<b>23.25</b>	269.89
v. Road Tax	<b>Nil</b>	26.54
vii. Claims filed by workmen or their union against the Company	<b>210.75</b>	145.39
viii. On account of Power Supply	<b>440.99</b>	440.99
ix. Refer Note 9.2 (iii), wherein the aggrieved buyer has disputed the sale of a flat to another person. The said matter is under dispute and the outcome / impact of which on the Company is presently unascertainable.		
x. Other demands and claims	<b>20.55</b>	20.55
The amounts stated are including interest and penalty, to the extent demanded.		
b. Guarantees;		
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.		
c. Other money for which the company is contingently liable;		
i. 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. The impact / outcome of recompense clause as detailed in Note 4.1 (B) (III) (c) (ii), in respect of the restructured loans on the Company is presently unascertainable.		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 320.08 lacs, previous year ₹ 432.57 lacs).	<b>848.98</b>	709.49
b. Other Commitments	<b>Nil</b>	Nil



- 31 The accumulated arrears of preference dividend unprovided for the period from November 2000 till the balance sheet date amounted to ₹ 1281.78 lacs (Previous year ₹ 1192.39 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.
- 32 Considering the implementation of the scheme formulated and sanctioned for a sick company and that the net worth of the Company is positive, it no longer being a Sick Industrial Company, the accounts of the Company are prepared on a going concern basis.

			<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
<b>33 ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT AND LOSS</b>				
i. Value of imports calculated on CIF basis				
a. Raw materials			<b>522.26</b>	Nil
b. Fuel			<b>1,194.51</b>	Nil
c. Components and Spare Parts			<b>369.09</b>	177.30
d. Capital Goods			<b>Nil</b>	101.08
ii. Expenditure in Foreign Currency				
a. Traveling Expenses			<b>12.45</b>	2.65
b. Sea Freight and Demurrage			<b>Nil</b>	57.16
c. Professional Fees			<b>6.09</b>	3.58
d. License / Registration of Trade Mark Fees			<b>0.52</b>	16.89
e. Others			<b>3.99</b>	10.78
			<b>For the Year ended March 31, 2015</b>	<b>For the Year ended March 31, 2014</b>
			<b>₹ in lacs</b>	<b>₹ in lacs</b>
		<b>%</b>		<b>%</b>
iii. Value of Imported / Indigenous Consumption				
Raw materials				
a. Imported	<b>325.86</b>	<b>5.26%</b>	Nil	0.00%
b. Indigenous	<b>5,870.64</b>	<b>94.74%</b>	4,528.51	100.00%
	<b>6,196.50</b>	<b>100.00%</b>	4,528.51	100.00%
Spare Parts and Components				
a. Imported	<b>277.83</b>	<b>6.96%</b>	493.51	13.92%
b. Indigenous *	<b>3,716.31</b>	<b>93.04%</b>	3,050.58	86.08%
* Includes amounts directly debited to various account heads	<b>3,994.14</b>	<b>100.00%</b>	3,544.09	100.00%
iv. Earnings in Foreign Currency				
a. Exports on FOB basis	<b>7,782.20</b>		13,758.88	
b. Despatch money on Export of Goods	<b>41.09</b>		62.64	

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
	<b>Compensated Absences</b>		<b>Gratuity</b>	
<b>34 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	294.84	276.04	729.25	713.99
Current Service Cost	20.38	16.39	30.67	31.57
Interest Cost	27.27	22.08	67.46	57.12
Actuarial (Gain) / Loss on obligations	24.33	(9.79)	107.78	(22.62)
Benefits paid	(49.64)	(9.88)	(78.78)	(50.81)
Present value of Obligation as at the end	317.18	294.84	856.38	729.25
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning	Not Applicable		6.43	3.88
Expected return on Plan Assets	Not Applicable		0.56	0.33
Contributions	Not Applicable		76.50	53.00
Benefits paid	Not Applicable		(78.77)	(50.81)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		(0.56)	0.03
Fair value of Plan Assets as at the end	Not Applicable		4.16	6.43
<b>iii. The amount recognised in Balance Sheet</b>				
Gross value of present Obligation at the end	317.18	294.85	856.39	729.25
Fair Value of Plan Assets at the end	Nil	Nil	4.16	6.44
Net (Liability) recognised in Balance sheet	317.18	294.85	852.23	722.81
<b>iv. Amount recognised in the Statement of Profit and Loss</b>				
Current Service Cost	20.38	16.39	30.67	31.57
Interest Cost	27.27	22.08	67.46	57.12
Expected return on Plan Assets	Nil	Nil	(0.56)	(0.33)
Net actuarial (Gain) / Loss recognised in the year	24.33	(9.79)	108.34	(22.62)
Expenses Recognised in the statement of Profit and Loss	71.98	28.68	205.91	65.74
<b>v. Category of Assets</b>				
Insurer Managed Funds	Not Applicable		4.16	6.44
<b>vi. Assumptions</b>				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	7.95%	9.25%	7.95%	9.25%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		7.95%	8.70%
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 ₹ 110.75 lacs (Previous year ₹ 103.96 lacs) towards gratuity during the year ended March 31, 2016.				

- 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. The same are disclosed hereunder to the extent available.

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Particulars - Gratuity	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Experience Adjustments				
On plan liability (gain) / loss	53.55	24.95	38.19	(146.79)
On plan assets gain / (loss)	(0.56)	0.03	(0.11)	(7.51)
Present value of benefit obligation	856.38	729.25	713.99	648.22
Fair value of plan assets	4.16	6.44	3.88	3.91
Excess of obligation over plan assets	852.23	722.81	710.11	644.30

As at March 31, 2015	As at March 31, 2014
₹ in lacs	₹ in lacs

### 35 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)	48,030.73	38,873.81
Exports - International markets	7,782.20	13,758.88
Total	55,812.93	52,632.69

All the assets of the Company are in India only.

### 36 RELATED PARTY DISCLOSURES

#### 36.1 List of related parties:

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

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

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

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

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

**36.2 Transactions with related parties:**

**i. Transactions and Balances with subsidiary companies:**

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
a. Amount Receivable from subsidiaries		
i. Agrima Consultants International Limited	186.14	185.49
ii. Prachit Holdings Limited	2.20	1.91
iii. Pranay Holdings Limited	0.10	Nil
iv. Ria Holdings Limited	0.10	Nil
v. Reeti Investments Limited	6.45	6.16
b. Deposits with Reeti Investments Limited	34.40	34.40
c. Expenses reimbursements to 36.2 (i) (a) (i) above	13.48	13.48

**ii. Payments to Key Managerial Personnel:**

a. Remuneration to Mr. Jay M Mehta	264.47	87.64
b. Remuneration to Mr. M S Gilotra	143.52	127.62

**iii. Payments to relatives of Key Managerial Personnel:**

a. Directors sitting fees to Mr. Mahendra N Mehta	1.20	0.80
b. Deposits with Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
c. Rent to Mrs. Narinder Kaur	9.00	4.45

**iv. Transactions with Gujarat Sidhee Cement Limited**

a. Purchase of goods and materials	2,857.25	4,621.54
b. Sale of goods and materials	132.42	27.42
c. Expenses / (Recovery) for services (net)	(112.57)	(46.94)
d. Amount (receivable) / payable at the year-end	(8.64)	149.10

For the Year ended March 31, 2015	For the Year ended March 31, 2014
₹ in lacs	₹ in lacs

### 37 EARNINGS PER SHARE

Weighted average number of equity shares of ₹ 10 each	<b>5,11,91,065</b>	5,11,91,065
Net Profit for the year	<b>6,760.02</b>	2,065.06
Less: Dividend payable to OCCPS holders [Refer Note 2.2(b)]	<b>89.39</b>	89.39
Net Profit available to equity shareholders	<b>6,670.63</b>	1,975.67
Basic and diluted earnings per share (in Rupees)	<b>13.03</b>	3.86

### 38 FINANCIAL INSTRUMENTS: DISCLOSURES

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

	As at March 31, 2015		As at March 31, 2014	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
Advances from Customers	<b>Nil</b>	<b>Nil</b>	11,05,469	667.04

39 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 14, 2015

**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*

**Rakesh H. Mehta**

*Chief Financial Officer*

**Sonali Sanas**

*Vice President (Legal) & Company Secretary*

Mumbai, Dated May 14, 2015

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

We have audited the accompanying consolidated financial statements of **SAURASHTRA CEMENT LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in paragraph on the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **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, of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements and financial information of five subsidiaries, whose financial statements and financial information reflect total assets of ₹ 1910.70 lacs as at March 31, 2015, total revenues of ₹ 24.22 lacs, and net cash inflow amounting to ₹ 0.10 lacs for the year ended on that date, as considered in the preparation of the consolidated financial statements.

These financial statements and other financial information of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sections 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Act, based on our comments in the annexure to the auditor's report to the standalone financial statements of the Holding Company and the comments of the other auditors in the annexure to the auditor's report to the financial statements of its subsidiaries, to whom the Order applies, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion and as reported by the auditors of the subsidiaries, proper books of account as required by law have been kept by the companies included in the Group, so far as it appears from the examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant financial statements adopted and related working statements maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion and as reported by the auditors of the subsidiaries, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and as reported by the auditors of the subsidiaries, none of the directors of the companies in the Group is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiaries:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 30 to the consolidated financial statements;
    - ii. the companies in the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies in the Group.

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

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

Place : MUMBAI  
Date : May 14, 2015

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the consolidated financial statements for the year ended March 31, 2015.

We report that:

- i. a. The companies in the Group have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management of the companies in the Group according to a phased programme designed to cover all the fixed assets over a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the companies in the Group and the nature of their assets. Pursuant to the programme, a material portion of the fixed assets have been verified by the management during the year, and no material discrepancies have been noticed on such verification.
- ii. a. Inventories of the companies in the Group, other than stocks-in-transit, have been physically verified by the management of the companies in the Group 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 of the companies in the Group are reasonable and adequate in relation to the size of such companies and the nature of their businesses.
- c. In our opinion, the companies in the Group have maintained proper records of their inventories and no material discrepancies have been noticed on physical verification between the physical stocks and book records.
- iii. a. As per the information furnished, in earlier years, the Holding Company had granted interest-free unsecured deposit to one of its subsidiary, which is a company covered in the Register maintained under Section 189 of the Act.
- b. As regards interest-free deposit to the subsidiary, the terms and conditions of the deposit, including repayment thereof have not 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.
- c. The subsidiaries have not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained in Section 189 of the Act 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.
- iv. In our opinion and according to the information and explanations given to us and as reported by the auditors of its subsidiaries, every company in the Group has an adequate internal control system 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 the audit and as reported by the auditors of its subsidiaries, no major weaknesses have been observed in such internal control system.
- v. In our opinion and according to the information and explanations given to us and as reported by the auditors of its subsidiaries, as the companies in the Group have not accepted any deposit from the public, the Clause 3(v) of the Order to comment on whether the companies in the Group have complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under, are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148 (1) of the Act in respect of its products and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete. For other companies in the Group, the maintenance of cost records pursuant to the Companies (Cost Records and audit) Rules, 2014 as specified by the Central Government under Section 148 (1) of the Act, is not applicable.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us and as reported by the auditors of its subsidiaries, the companies in the Group have been regular in



depositing undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it with appropriate authorities and there are no arrears of outstanding statutory dues 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 companies in the Group.

- b. According to the information and explanations given to us and on the basis of the books and records examined by us and as reported by the auditors of its subsidiaries, in respect of companies in the Group, no amount of the Income-tax, Sales-tax, Wealth-tax or Cess is required to be deposited under dispute. In respect of only the Holding Company, Value Added Tax, Customs Duty, Excise Duty and Service Tax, which have not been deposited as on March 31, 2015 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	472.93		
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, interest and penalty	290.45	2012-2013	
Duty, interest and penalty	266.64	2011-2012	CESTAT
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
Penalty	0.70	2012-2013	Commissioner of Excise (Appeals)
Service Tax – Central Excise Act, 1944			
Tax and penalty	490.86	2005-2014	CESTAT
Tax and penalty	2.39	2006-2007	CESTAT
Tax and penalty	44.11	2006-2011	CESTAT

- c. The companies in the Group are not required to transfer any amount to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. In respect of the Holding Company and three subsidiaries, the accumulated losses at the end of the financial year are less than fifty per cent of its net worth; except the Holding Company, these three subsidiaries have incurred cash losses in the current year but the Holding Company and these three subsidiaries have not incurred cash losses in the immediately preceding financial year. In respect of the other two subsidiaries, the accumulated losses at the end of the financial year are more than fifty per cent of its net worth, one subsidiary has incurred cash losses in the current financial year and these two subsidiaries have not incurred cash losses in the immediately preceding financial year.
- ix. According to the information and explanations given to us, as also on the basis of the books and records examined by us and as reported by the auditors of its subsidiaries, the companies in the Group have not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- x. According to the information and explanations given to us and as reported by the auditors of its subsidiaries, as the companies in the Group have not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 3(x) of the Order, to comment on whether the terms and conditions are prejudicial to the interest of the Group is not applicable.

- xi. The Holding Company or any subsidiary, as reported by the auditors of its subsidiaries, have not obtained any term loan during the year, and accordingly, requirement of Clause 3 (xi) of the Order, to comment on whether the term loans obtained during the year by the companies in the Group were applied for the purpose for which the loans were obtained is not applicable.
- xii. Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us and as reported by the auditors of its subsidiaries, no fraud on or by the companies in the Group have been noticed or reported during the year.

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

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

Place : MUMBAI  
Date : May 14, 2015

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	17,816.82	23,623.84	11,056.00
				16,863.02
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	Nil		3,781.27
Other Long-term Liabilities	5	774.02		711.65
Long-term Provisions	6	952.99	1,727.01	807.07
				5,299.99
<b>Current Liabilities</b>				
Short-term Borrowings	7	442.35		574.52
Trade Payables	8	4,570.82		3,475.39
Other Current Liabilities	9	9,186.34		14,535.59
Short-term Provisions	10	864.33	15,063.84	365.32
				18,950.82
		<b>TOTAL</b>	<b>40,414.69</b>	<b>41,113.83</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed Assets	11			
Tangible Assets		17,720.32		18,739.35
Intangible Assets		85.31		133.40
Tangible Capital Work-in-progress		5,260.35		5,909.51
		23,065.98		24,782.26
Non-current Investments	12	1,499.42		1,499.43
Deferred Tax Assets (net)	13	921.79		Nil
Long-term Loans and Advances	14	1,320.03		1,384.92
Other Non-current Assets	15	80.96	26,888.18	318.78
				27,985.39
<b>Current Assets</b>				
Inventories	16	7,752.60		5,674.36
Trade Receivables	17	1,938.69		1,614.08
Cash and Bank Balances	18	2,117.73		4,060.32
Short-term Loans and Advances	19	1,546.77		1,413.91
Other Current Assets	20	170.72	13,526.51	365.77
				13,128.44
		<b>TOTAL</b>	<b>40,414.69</b>	<b>41,113.83</b>

Significant Accounting Policies and Notes are an integral part of the Consolidated Financial Statements 1 - 40

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 14, 2015

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>Rakesh H. Mehta</b>	Chief Financial Officer
<b>Sonali Sanas</b>	Vice President (Legal) & Company Secretary

Mumbai, Dated May 14, 2015

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		For the Year ended March 31, 2015	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Note	₹ in lacs	₹ in lacs	₹ in lacs
Revenue from Operations (Gross)	21		62,948.26	58,544.71
Less: Excise Duty			6,677.62	5,408.47
Revenue from Operations (Net)			56,270.64	53,136.24
Other Income	22		733.01	509.47
<b>Total Revenue</b>			<b>57,003.65</b>	<b>53,645.71</b>
<b>Expenses</b>				
Cost of Materials Consumed	23		4,814.42	3,685.35
Purchases of Stock-in-trade	24		1,436.22	3,983.82
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25		(700.83)	307.79
Employee Benefits Expense	26		3,510.76	3,003.32
Finance Costs	27		1,337.55	1,636.97
Depreciation, Amortisation and Impairment	11	3,487.85		2,606.73
Less: Amount Withdrawn from Revaluation Reserve		Nil		18.27
			3,487.85	2,588.46
Other Expenses	28		38,282.50	36,349.59
<b>Total Expenses</b>			<b>52,168.47</b>	<b>51,555.30</b>
<b>Profit before Exceptional Items and Tax</b>			<b>4,835.18</b>	<b>2,090.41</b>
Exceptional Items	29		3,089.56	Nil
<b>Profit before Tax</b>			<b>7,924.74</b>	<b>2,090.41</b>
<b>Tax Expense</b>				
Current Tax		2,085.71		538.68
MAT Credit Entitlement		Nil		538.07
		2,085.71		0.61
Deferred Tax (Refer Note 13)		(921.79)		Nil
			1,163.92	0.61
<b>Profit for the year</b>			<b>6,760.82</b>	<b>2,089.80</b>
<b>Earnings per equity share of ₹ 10 par value per share</b>				
Basic and diluted (₹ per share)	37		13.03	3.91

**Significant Accounting Policies and Notes are an integral part of the Consolidated Financial Statements** 1 - 40

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 14, 2015

**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*  
**Rakesh H. Mehta** *Chief Financial Officer*  
**Sonali Sanas** *Vice President (Legal) & Company Secretary*

Mumbai, Dated May 14, 2015

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before tax</b>		<b>7,924.74</b>	2,090.41
Adjustments for :			
Add: Finance Costs	<b>1,337.55</b>		1,636.97
Loss on Sale of Assets / Capital WIP Written Off	<b>28.96</b>		421.89
Provision for Doubtful debts / Bad Debts Written Off	<b>24.58</b>		14.49
Depreciation, Amortisation and Impairment	<b>3,487.85</b>		2,588.46
		<b>4,878.94</b>	4,661.81
Less: Interest Income	<b>282.76</b>		286.57
Dividends Received	<b>0.46</b>		22.92
Excess Provision and Sundry Credit Balances Written Back	<b>208.45</b>		110.21
Provision for Doubtful Debts no longer required	<b>34.53</b>		6.28
Exceptional Items	<b>3,089.56</b>		Nil
		<b>(3,615.76)</b>	(425.98)
<b>Operating profit before working capital changes</b>		<b>9,187.91</b>	6,326.24
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	<b>182.11</b>		(37.82)
Trade Payables and Other Current Liabilities	<b>3,483.83</b>		578.18
Long-term Loans and Advances and Other Non-current Assets	<b>(43.15)</b>		386.80
Inventories	<b>(2,078.24)</b>		992.06
Trade Receivables and Short-term Loans and Advances	<b>(856.30)</b>		841.99
Other Current Assets	<b>251.28</b>		(226.02)
		<b>939.53</b>	2,535.19
<b>Cash generated from operations</b>		<b>10,127.44</b>	8,861.43
Add: Direct Taxes (Payments) / Refunds		<b>(1,932.55)</b>	(591.18)
<b>Net cash flow from operating activities</b>		<b>8,194.89</b>	8,270.25

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets / Capital Work-in-progress	(1,605.06)		(815.19)
Sale of Fixed Assets	3,219.25		115.23
Sale of Non-current Investments	0.01		Nil
Interest Income	226.53		457.06
Dividends Received	0.46		22.92
<b>Net cash flow from / (used in) investing activities</b>		<b>1,841.19</b>	<b>(219.98)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	Nil		11.54
Repayment of Long-term Borrowings	(10,497.56)		(5,862.87)
Short-term Borrowings	(132.17)		1.29
Deposits held as Margin Money	1,953.91		(760.80)
Finance Costs Paid	(1,348.94)		(1,562.02)
<b>Net cash flow used in financing activities</b>		<b>(10,024.76)</b>	<b>(8,172.86)</b>
<b>Net increase in cash and cash equivalents</b>		<b>11.32</b>	<b>(122.59)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>1,960.86</b>	<b>2,083.45</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		<b>1,972.18</b>	<b>1,960.86</b>
<b>Deposits with banks</b>		<b>145.55</b>	<b>2,099.46</b>
<b>Cash and bank balances as at the end of the year (Refer Note 18)</b>		<b>2,117.73</b>	<b>4,060.32</b>

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3, as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 14, 2015

**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>Rakesh H. Mehta</b>	<i>Chief Financial Officer</i>
<b>Sonali Sanas</b>	<i>Vice President (Legal) &amp; Company Secretary</i>

Mumbai, Dated May 14, 2015

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at its manufacturing facilities at Ranavav, Gujarat) as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these financial statements are in accordance with the Accounting Standards as referred to herein.

#### 1.2 Principles of Consolidation :

- The financial statements of Concorde Cement Private Limited are excluded from the 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 the same is fully provided for.
- The financial statements of the Holding Company and its Subsidiaries ("the Group") 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.
- 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.
- The excess of cost to the Holding Company of its investment in the Subsidiary 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".

#### 1.3 Subsidiaries considered in the Consolidated Financial Statements are:

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2015	Parent's ultimate holding as on 31.03.2014	Financial Year ends
i.	Pranay Holdings Limited	India	100.00%	100.00%	March 31
ii.	Prachit Holdings Limited	India	100.00%	100.00%	
iii.	Ria Holdings Limited	India	100.00%	100.00%	
iv.	Reeti Investments Limited	India	100.00%	100.00%	
v.	Agrima Consultants International Limited	India	100.00%	100.00%	

#### 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.

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

- i. Depreciation on tangible fixed assets (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. In view of the period of right to use of 15 years the cost of Jetty is amortised on the "Straight-line Method" over the said period. Addition thereto, is amortised over the residual years of its right to use. Premium on leasehold land of long lease duration is not amortised, being not material. Depreciation on revalued assets are calculated on net replacement value ascertained as at June 30, 1993. The amount equivalent to depreciation provided on the revalued assets as reduced by that of the original cost of the assets is transferred to the General Reserve from Revaluation Reserve, to the extent of availability of the Revaluation Reserve.
- ii. Intangible assets being computer softwares are amortised on the "Straight-line Method" over a period of 3 years.

### **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 Consolidated 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 geographic allocation of its customers.
- ii. The Holding Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Holding 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, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	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, 2015 / March 31, 2014.
- 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. These preference shares do not carry any voting right. However, as per the provisions of the Companies Act, 2013, if the dividend on such preference shares has not been paid for a period of two years or more, the holders of such preference shares shall have a right to vote on all resolutions placed before the Holding Company.
- 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, 2015		As at March 31, 2014	
	Numbers	%	Numbers	%
<b>a. Equity Shares</b>				
Villa Trading Company Private Limited	11,745,167	22.94%	*	*
TransAsia Investments And Trading Limited	8,000,000	15.63%	8,000,000	15.63%
Mauritius Debt Management Limited	5,677,884	11.09%	7,450,000	14.55%
Jagmi Investments Limited	5,175,000	10.11%	5,175,000	10.11%
Sampson Limited	4,000,000	7.81%	4,000,000	7.81%
Clarence Investments Limited	3,686,599	7.20%	12,886,599	25.17%
<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%
* Is not disclosed as below 5%				

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b> - As per last Balance Sheet	2,614.72	2,614.72
<b>Capital Redemption Reserve</b> - As per last Balance Sheet	50.00	50.00
<b>Securities Premium Account</b> - As per last Balance Sheet	10,566.71	10,566.71
<b>Debenture Redemption Reserve</b> - As per last Balance Sheet	2,060.00	2,060.00
<b>Revaluation Reserve</b>		
As at the beginning of the year	256.97	275.24
Less: Transferred to General Reserve *	18.52	Nil
Less: Transferred to the Statement of Profit and Loss for Depreciation	Nil	18.27
As at the end of the year	238.45	256.97
<b>General Reserve</b> - As per last Balance Sheet	4,377.97	4,377.97
Add: Transferred from Revaluation Reserve *	18.52	Nil
	4,396.49	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	8,870.37	10,960.17
Less: Transferred from the Statement of Profit and Loss	6,760.82	2,089.80
As at the end of the year	(2,109.55)	(8,870.37)
	17,816.82	11,056.00

\* As per the "Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India (ICAI), for the year ended March 31, 2014, the amount of depreciation on the revaluation of Fixed Assets is transferred to the Consolidated Statement of Profit and Loss. However, for the year ended March 31, 2015, as suggested in the Application Guide on the Provisions of Schedule II to The Companies Act, 2013 issued by ICAI the amount of depreciation on the revaluation is withdrawn and transferred to General Reserve.

As at  
**March 31, 2015**      As at  
March 31, 2014  
₹ 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		
17,85,286	12% Public	Nil	25.00		
980,246	12% Public	4.68	25.00		
259,150	12% Public	Nil	50.00		
148,905	12% Public	10.00	50.00		
900,000	12% Private	1.50	25.00	Nil	224.08
<b>Term Loans</b>					
	From Banks			Nil	331.93
	From Others			Nil	3,225.26
				Nil	3,557.19
				Nil	3,781.27

### 4.1

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, 2015		As at March 31, 2014	
	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.	Nil	60.78	179.08	716.33
b. Private Debentures, together with interest, remuneration to trustees and other amounts payable thereon.	Nil	13.50	45.00	180.00
c. Term Loans from Banks - Under CDR	Nil	200.40	331.93	1,227.59
d. Term Loans from Banks - Others	Nil	Nil	Nil	14.00
e. Term Loans from Others-Financial Institutions Under CDR (including Funded interest term loans on Debentures)	Nil	103.07	250.26	873.84
f. Term Loans from Others - Under CDR (including Funded interest term loans on Debentures)	Nil	404.66	554.22	1,947.09
g. Term Loans from Others - Vehicle	Nil	11.83	11.83	11.62
h. Term Loans from Others - Others	Nil	Nil	2,408.95	2,540.06
	Nil	794.24	3,781.27	7,510.53

## II. Security:

- a. 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.
- b. 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.
- c. 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.
- d. 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:

- a. 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 was 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. However, these amounts have been paid before the year-end.
- c. For Part I (a), (b), (c), (e) and (f);
  - i. The Holding Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
  - ii. The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
  - iii. 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.
  - iv. 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, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposits from Customers / Transporters	773.97	711.60
Loan from a Director - Unsecured (Terms of repayment not specified)	0.05	0.05
	<u>774.02</u>	<u>711.65</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>6 LONG-TERM PROVISIONS</b>		
For Employee Benefits - Gratuity and Compensated absences (Refer Note 34)	952.99	807.07
	<u>952.99</u>	<u>807.07</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>7 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	1.03	134.83
Others	441.32	439.69
	<u>442.35</u>	<u>574.52</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 ₹ 63 only (Previous Year ₹ 0.82 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>8 TRADE PAYABLES</b>		
Amounts Payable to a Related Party [Refer Note 36.2(iv)(d)]	Nil	149.10
Others	4,570.82	3,326.29
	<u>4,570.82</u>	<u>3,475.39</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	1.72	3.12
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	Nil	0.01
iv. Interest accrued and remaining unpaid	Nil	0.01
v. Interest due and payable even in succeeding years	1.07	1.07



	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	74.28	896.33
Term Loans		
From Banks	200.40	1,241.59
From Others	519.56	5,372.61
	<b>794.24</b>	7,510.53
Interest Accrued but not Due on Borrowings *	1.67	46.37
Unclaimed Share Application Money	14.77	14.77
Statutory Dues	3,224.34	2,190.71
Advances from Customers	1,613.88	1,890.21
Other Payables		
Creditors for Capital Items	110.05	77.75
Liabilities for Expenses at the year-end	2,313.30	2,746.89
Others (Refer Note 9.2 below)	1,114.09	58.36
	<b>3,537.44</b>	2,883.00
	<b>9,186.34</b>	14,535.59

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

- 9.2** i. Based on the recommendation of the Asset Sales Committee (ASC) formed under the supervision of IFCI Limited, as required by the Board for Industrial and Financial Reconstruction ('BIFR'), the Holding Company had decided to dispose of a residential flat on 'as is where is basis'.
- ii. The said flat was first offered to a buyer being the sole bidder on May 2, 2014 and the buyer had deposited ₹ 1037.00 lacs (Previous Year ₹ Nil) on various dates. However, on the failure of the buyer to deposit the balance amounts on various grounds the transaction was cancelled by the ASC and the sum of ₹ 1037.00 lacs received is retained by the Holding Company. The said amount presently is shown under Other Current Liabilities - Other Payables - Others.
- iii. Aggrieved by the same, the buyer has approached the BIFR / AAIFR, for relief, the application of which is pending.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>10 SHORT-TERM PROVISIONS</b>		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 34)	216.42	210.59
Others		
Provision for Taxation	2,085.20	Nil
Less: Taxes paid	1,534.88	Nil
Less: MAT Entitlement Utilised	132.47	Nil
	<b>417.85</b>	Nil
Excise duty on Stocks and Wealth-tax	230.06	154.73
	<b>647.91</b>	154.73
	<b>864.33</b>	365.32

Notes forming part of Consolidated Financial Statements										₹ in lacs
11 Fixed Assets		Gross Block			Depreciation, Amortisation and Impairment			Net Block		
[Refer Note (i)]		As at April 1, 2014	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year Adjustments	Up to March 31, 2015	As at March 31, 2015	
Tangible Fixed Assets										
Freehold land	239.08	Nil	Nil	239.08	Nil	Nil	Nil	Nil	239.08	
	239.08	Nil	Nil	239.08	Nil	Nil	Nil	Nil	239.08	
Leasehold land	21.45	Nil	Nil	21.45	Nil	Nil	Nil	Nil	21.45	
[Refer Note (ii)]	21.45	Nil	Nil	21.45	Nil	Nil	Nil	Nil	21.45	
Buildings and Jetty	6,111.61	249.95	96.08	6,265.48	3,603.53	213.77	8.91	3,808.39	2,457.09	
[Refer Note (iii)]	6,085.90	25.71	Nil	6,111.61	3,365.47	238.06	Nil	3,603.53	2,508.08	
Plant and equipments	44,795.32	111.64	Nil	44,906.96	30,310.11	859.33	Nil	31,169.44	13,737.52	
[Refer Note(iv), (v)]	45,413.25	419.03	1,036.95	44,795.33	29,297.62	1,632.25	619.76	30,310.11	14,485.22	
Furniture and Fixtures	1,184.90	73.84	13.76	1,244.98	700.20	152.02	5.84	846.38	398.60	
	1,165.56	51.19	31.85	1,184.90	666.94	51.09	17.83	700.20	484.70	
Vehicles	1,459.07	131.90	90.63	1,500.34	734.40	131.08	33.66	831.82	668.52	
[Refer Note (vi)]	1,480.72	177.15	198.80	1,459.07	735.22	93.51	94.33	734.40	724.67	
Office equipments	566.44	60.00	22.24	604.20	303.37	128.98	15.65	416.70	187.50	
	544.89	27.98	6.43	566.44	264.53	43.81	4.97	303.37	263.07	
Railway siding, weighbridge, rolling stock and locomotives	281.56	Nil	Nil	281.56	268.48	2.52	Nil	271.00	10.56	
	281.56	Nil	Nil	281.56	266.96	1.52	Nil	268.48	13.08	
Current Year	54,659.43	627.33	222.71	55,064.05	35,920.09	1,487.70	64.06	37,343.73	17,720.32	
Previous year	55,232.40	701.06	1,274.03	54,659.43	34,596.74	2,060.24	736.89	35,920.09	18,739.35	
Intangible Fixed Assets										
Other than internally generated										
Goodwill	95.27	Nil	Nil	95.27	95.27	Nil	Nil	95.27		
Computer softwares	238.71	23.04	Nil	261.75	105.31	71.13	Nil	176.44		
Current Year	333.98	23.04	Nil	357.02	200.58	71.13	Nil	271.71	85.31	
Previous year	194.30	139.68	Nil	333.98	161.16	39.42	Nil	200.58	133.40	
Capital work-in-progress										
Tangible Capital WIP										
[Refer Note (vii)]										
Current Year	8,399.59	1,563.33	283.47	9,679.45	2,490.08	1,929.02	Nil	4,419.10	5,260.35	
Previous year	8,341.11	554.28	495.80	8,399.59	1,983.01	507.07	Nil	2,490.08	5,909.51	
Intangible Capital WIP										
Computer softwares										
Current Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Previous year	69.75	Nil	69.75	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total										
Current Year	63,393.00	2,213.70	506.18	65,100.52	38,610.75	3,487.85	64.06	42,034.54	23,065.98	
Previous year	63,837.56	1,395.02	1,839.58	63,393.00	36,740.91	2,606.73	736.89	38,610.75	24,782.26	

### 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 related to a residential flat, held in a Co-operative Society included under Note 12 of Non-current Investments. The said residential flat and related shares have been sold during the year.
- 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. Vehicles include assets financed under hire purchase agreements.
- vi. Effective April 1, 2014, the Holding Company has provided depreciation on its tangible fixed assets as per the useful lives and residual values specified in Part C of Schedule II to the Companies Act, 2013 or based on the period of use available to the Holding Company (primarily consisting of Jetty). Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 197.90 lacs. Further, in view of the Notification No. GSR 627(E) of August 29, 2014 amending Schedule II, on the basis of option available, the Holding Company has then decided to charge the carrying amount of assets, after retaining residual value, in cases where the remaining useful life has been completed as on April 1, 2014 by way of depreciation to the Consolidated Statement of Profit and Loss and accordingly, the sum of ₹ 144.12 lacs is included in depreciation for the year.

### vii. Impairment of Assets :

- a The Holding Company had incurred an aggregate sum of ₹ 8107.17 lacs (Previous Year ₹ 7838.15 lacs) towards Expansion Project Assets, and reflected the same 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 (b) below. However, later on in the year 2005, due to several adversities, the project was suspended.

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>b. Capital work-in-progress includes pre-operative expenses, as under:</b>		
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>

- c The Holding Company decided to dispose of the Expansion Project Assets, through the Asset Sale Committee (ASC) constituted under the aegis of BIFR, subject to necessary approvals of the Holding Company's Lenders / BIFR. As advised by the ASC, a valuation report for these assets was obtained from the empanelled valuer of IFCI (Monitoring Agency) and the reserve price was fixed at Fair Market Value (FMV). As per the valuation report updated in April, 2015, the FMV of the expansion project machinery was ₹ 3688.07 lacs. The aggregate impairment of ₹ 4419.10 lacs (Previous Year ₹ 2490.08 lacs), including ₹ 1929.02 lacs for the year (Previous Year ₹ 507.07 lacs), is recognised as required under Accounting Standard 28 on "Impairment of Assets". As at the year ended on March 31, 2014, the impairment provision was made considering the recoverable amount (net selling price) as value in use.

		As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>12 NON-CURRENT INVESTMENTS</b>			
Long-term Investments			
Valued at cost less provision for other than temporary diminution			
Trade Investments			
<b>In Equity Instruments of Subsidiaries</b>			
Unquoted			
(Fully paid equity shares of ₹ 10 each)			
<b>Quantity Investee company</b>			
1,49,272 Concorde Cement (Pvt.) Limited (Srilankan Rupee)		9.19	9.19
		9.19	9.19
Less: Provision for diminution in value		9.19	9.19
		-	-
Other than Trade			
<b>In Equity Instruments of Others</b>			
Quoted			
(Fully paid equity shares of ₹ 10 each)			
<b>Quantity Investee company</b>			
870,500 MTZ Industries Limited	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*	-		-
1 India Cements Limited*	-		-
1 JK Lakshmi Cements Limited*	-		-
1 Mangalam Cements Limited*	-		-
1 Prism Cements Limited*	-		-
1 Shree Digvijay Cements Limited*	-		-
1 Zuari Industries Limited*	-		-
1 Zuari Agro Chemicals Limited*	-		-
	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			
<b>Quantity Investee company</b>	<b>Face Value</b>		
	<b>₹ per share</b>		
0 (10) IL-Palazzo CHS Limited **	50		
2,001 Rajkot Nagrik Sahakari Bank Limited	50		
5,000 Saraswat Co-op Bank Limited	10	1.50	1.51
		1,499.42	1,499.43
		1,499.42	1,499.43
Quantity in bracket indicate previous year figure.			
** Sold during the year. Also Refer Note 11.1 (iii).			
		As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
		Cost	Cost
Aggregate amount of quoted investments	3,701.65	592.86	3,701.65
Aggregate amount of unquoted investments	10.69	Nil	10.70
	3,712.34		3,712.35
Aggregate provision on non current investments	2,212.92		2,212.92

### 13 ACCOUNTING FOR TAXES ON INCOME

As required by Accounting Standard 22 on "Accounting for Taxes on Income", the Holding Company has reviewed its Deferred Tax Asset (DTA) recognised till last year. Hitherto, 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. During the year, in view of the taxable profits, DTA is recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Details of DTA and DTL are as under:

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>Deferred Tax Assets</b>		
i. Accrued expenses deductible on cash basis	1,409.75	249.71
ii. Accrued expenses deductible on payment of TDS thereon	721.16	Nil
iii. Provision for Impairment	1,502.05	846.38
Closing balance	<u>3,632.96</u>	<u>1,096.09</u>
<b>Deferred Tax Liabilities</b>		
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 2013	2,711.17	1,096.09
<b>Deferred Tax Assets - Net</b>	<u>921.79</u>	<u>Nil</u>

### 14 LONG-TERM LOANS AND ADVANCES

Unsecured - considered good

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
Capital Advances	318.26	374.41
Security Deposits	407.68	400.59
Other Deposits	46.55	46.54
Advance Recoverable in cash or kind or for value to be received	12.94	12.94
Other Loans and Advances		
Staff Advance	15.63	10.78
Taxes Paid (Net of Provision of ₹ 538.07 lacs, Previous year ₹ 538.07 lacs)	<u>210.31</u>	<u>231.00</u>
	225.94	241.78

Unsecured, Considered Doubtful

Intercompany Deposits	308.66	863.42
Less: Provision for Bad and Doubtful Deposits	<u>Nil</u>	<u>554.76</u>
	308.66	308.66
	<u>1,320.03</u>	<u>1,384.92</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>15 OTHER NON-CURRENT ASSETS</b>		
Inventories		
Stores and Spare Parts *	Nil	269.02
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	167.27	201.79
Less: Provision for Bad and Doubtful Debts	167.27	201.79
	Nil	Nil
Deposits with Banks		
Maturity beyond 12 months from the Balance Sheet Date		
Held as Margin Money	80.96	49.76
	<u>80.96</u>	<u>318.78</u>
* Stores and spare parts were related to Expansion Project Assets and not inventories, and accordingly, the same are now reflected under Capital Work-in-progress. [Refer Note 11.1(vii)]		

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>16 INVENTORIES</b>		
Raw Materials	1,077.07	1,023.81
Packing Materials	139.51	149.63
Work-in-progress	1,096.30	466.07
Finished Goods	1,012.22	866.99
Fuels	2,173.15	1,726.31
Stores and Spare Parts	2,237.89	1,407.58
Stores and Spare Parts in-transit	16.46	33.97
	<u>2,254.35</u>	<u>1,441.55</u>
	<u>7,752.60</u>	<u>5,674.36</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ 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	294.92	327.26
Others		
Amounts Receivable from a related party	8.64	Nil
Others	1,635.13	1,286.82
	<u>1,643.77</u>	<u>1,286.82</u>
	<u>1,938.69</u>	<u>1,614.08</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>18 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	868.88	1,156.33
Fixed Deposits (Original maturity upto 3 months)	1,099.00	800.00
Cash on Hand	4.30	4.53
	<u>1,972.18</u>	<u>1,960.86</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)	145.12	149.03
Others (Original maturity more than 3 months and upto 12 months)	Nil	1,950.00
	<u>145.12</u>	<u>2,099.03</u>
	<u>2,117.73</u>	<u>4,060.32</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Other Loans and Advances		
Balances with Statutory / Government Authorities	481.31	377.91
MAT Credit Entitlement	405.60	538.07
Prepaid Expenses	138.43	95.25
Advances Recoverable in cash or in kind or for value to be received	76.95	110.40
Advances Against Purchase of Stores	444.48	292.28
	<u>1,546.77</u>	<u>1,413.91</u>

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>20 OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
Export Benefits Receivable	32.62	82.06
Receivable on Sale of Discarded Assets	Nil	201.84
Interest and Other Receivable	138.10	81.87
	<u>170.72</u>	<u>365.77</u>

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products		
Manufactured Goods	61,185.61	53,983.82
Traded Goods	1,304.94	4,057.34
	62,490.55	58,041.16
Other Operating Revenues		
Sale of Power	144.24	128.22
Sale of Scrap	218.89	181.02
Export Entitlements	94.58	194.31
	457.71	503.55
	62,948.26	58,544.71
Less: Excise Duty	6,677.62	5,408.47
	56,270.64	53,136.24
<b>Details of Products Sold</b>		
Sale of Manufactured Goods		
Cement	61,070.46	50,609.17
Clinker	115.15	3,374.65
	61,185.61	53,983.82
Sale of Traded Goods		
Cement	1,304.94	2,356.70
Clinker	Nil	1,700.64
	1,304.94	4,057.34

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>22 OTHER INCOME</b>		
Interest Income on		
Fixed Deposits with Banks	256.99	168.02
Fixed deposits with a State Financial Corporation	19.61	108.44
Others	6.16	10.11
	282.76	286.57
Dividends Income from Long-term Investments - others	0.46	22.92
Rent Income	12.00	24.00
Miscellaneous Income (including overheads shared)	177.83	52.54
Insurance Claims	8.10	6.95
Bad Debts Recovered	8.88	Nil
Provision for Doubtful Debts no longer required	34.53	6.28
Excess Provision Written Back	106.97	83.01
Sundry Credit Balances Written Back	101.48	27.20
	733.01	509.47



	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>23 COST OF MATERIALS CONSUMED</b>			
Raw Materials			
Opening Stock of Raw Materials	1,023.81		1,138.36
Add: Purchases	3,099.86		1,922.45
	<u>4,123.67</u>		<u>3,060.81</u>
Less: Closing Stock of Raw Materials	<u>1,077.07</u>		<u>1,023.81</u>
		3,046.60	2,037.00
Packing Materials			
Opening Stock of Packing Materials	149.63		147.06
Add: Purchases	1,757.70		1,650.92
	<u>1,907.33</u>		<u>1,797.98</u>
Less: Closing Stock of Packing Materials	<u>139.51</u>		<u>149.63</u>
		1,767.82	1,648.35
		<u>4,814.42</u>	<u>3,685.35</u>
Details of Raw Materials Consumed			
Gypsum		833.71	635.35
Fly Ash		722.42	457.04
Iron Ore		237.05	235.09
Clinker Purchased		1,131.14	580.05
Others		<u>122.28</u>	<u>129.47</u>
		<u>3,046.60</u>	<u>2,037.00</u>
<hr/>			
	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs	
<b>24 PURCHASES OF STOCK-IN-TRADE</b>			
Purchases of Traded Goods			
Cement	1,436.22		2,343.08
Clinker	Nil		1,640.74
	<u>1,436.22</u>		<u>3,983.82</u>

		For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ 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	1,012.22		866.99
Work-in-progress - Raw Flour and Clinker	1,096.30		466.07
		2,108.52	1,333.06
Less: Stocks at the Beginning			
Finished Goods - Cement	866.99		698.58
Work-in-progress - Raw Flour and Clinker	466.07		861.09
		1,333.06	1,559.67
		(775.46)	226.61
Increase in Excise Duty on Stocks		74.63	81.18
		(700.83)	307.79
<hr/>			
		For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>26 EMPLOYEE BENEFITS EXPENSE</b>			
(Refer Note 28.1)			
Salaries, Wages and Bonus		3,002.36	2,692.83
Contribution to Provident and Other Funds		167.59	152.36
Gratuity Expense		208.76	72.24
Staff Welfare Expenses		132.05	85.89
		3,510.76	3,003.32
<hr/>			
		For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>27 FINANCE COSTS</b>			
Interest expense			
On Borrowings	670.63		1,322.06
On Custom Duty, Service Tax and Income Tax	397.73		Nil
On Others	266.52		312.55
		1,334.88	1,634.61
Other Borrowing Costs		2.67	2.36
		1,337.55	1,636.97

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>28 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3,994.14	3,730.59
Power and Fuel	15,469.48	15,321.92
Rent	226.04	236.86
Repairs and Maintenance:		
Buildings, etc.	349.55	267.01
Machinery	1,858.58	1,838.31
Others	535.20	495.38
	<u>2,743.33</u>	<u>2,600.70</u>
Insurance	128.78	118.28
Rates and Taxes	671.13	346.56
Raw Material Handling Charges [Refer Note 28.1(a)]	431.84	565.78
Limestone / Marl Raising Charges [Refer Note 28.1(a)]	1,288.97	747.61
Royalty and Cess [Refer Note 28.1(a)]	1,196.32	964.57
Advertisement and Business Promotion Expenses	1,837.32	1,543.05
Freight and Handling Expenses	7,839.50	7,461.36
Commission	781.26	732.71
Directors' Fees	29.40	15.80
Charity and Donation	21.05	28.92
Traveling and Conveyance	228.47	180.63
Legal and Professional Charges	399.07	304.31
Net Loss on Foreign Currency Transactions and Translation	54.74	98.76
Auditor's Remuneration		
Audit Fees	9.63	7.33
Tax Audit Fees	Nil	2.65
For Other Services - Certification Work	3.65	3.95
	<u>13.28</u>	<u>13.93</u>
Provision for Doubtful Debts	0.01	14.49
Bad Debts Written Off	24.57	Nil
Loss on Sale of Assets (Net)	28.96	240.45
Capital Work-in-progress Written Off	Nil	181.44
Inter Corporate Deposits (ICD) Written Off	554.76	Nil
Provision for Doubtful ICD no longer required	(554.76)	Nil
	<u>Nil</u>	<u>Nil</u>
Miscellaneous Expenses	934.17	923.87
Cost of Cement Self Consumed [Refer Note 28.1(b)]	(59.32)	(23.00)
	<u>38,282.50</u>	<u>36,349.59</u>
<b>28.1</b>		
<b>a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) as incurred on cost of raising and transporting limestone / marl are as under:</b>		
Salaries, Wages and Bonus	60.00	80.00
Stores and Spare Parts Consumed	386.53	275.38
Repairs and Maintenance to Machinery	67.04	123.78
Raw Material Handling Charges	338.83	435.21
Limestone / Marl Raising Charges	1,288.97	747.61
Royalty and Cess	1,008.53	829.53
	<u>3,149.90</u>	<u>2,491.51</u>
<b>b. Cost of cement self consumed also includes other material costs and depreciation.</b>		

	For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>29 EXCEPTIONAL ITEMS</b>		
Profit on Sale of Residential Flats	<b>3,089.56</b>	Nil
	<b>3,089.56</b>	Nil

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
<b>30 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Holding Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax liabilities	<b>435.67</b>	435.67
ii. Excise Duty	<b>297.40</b>	296.71
iii. Service Tax	<b>46.49</b>	105.00
iv. Royalty	<b>15.12</b>	15.12
v. Customs Duty	<b>23.25</b>	269.89
v. Road Tax	<b>Nil</b>	26.54
vii. Claims filed by workmen or their union against the Holding Company	<b>210.75</b>	145.39
viii. On account of Power Supply	<b>440.99</b>	440.99
ix. Refer Note 9.2 (iii), wherein the aggrieved buyer has disputed the sale of a flat to another person. The said matter is under dispute and the outcome / impact of which on the Holding Company is presently unascertainable.		
x. Other demands and claims	<b>20.55</b>	20.55
The amounts stated are including interest and penalty, to the extent demanded.		
b. Guarantees;		
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 Company has handled cargo in excess of the minimum requirement.		
c. Other money for which the Holding Company is contingently liable;		
i. 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. The impact / outcome of recompense clause as detailed in Note 4.1 (B) (III) (c) (ii), in respect of the restructured loans on the Holding Company is presently unascertainable.		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 320.08 lacs, previous year ₹ 432.57 lacs).	<b>848.98</b>	709.49
b. Other Commitments	<b>Nil</b>	Nil

- 31 The accumulated arrears of preference dividend unprovided for the period from November 2000 till the balance sheet date amounted to ₹ 1281.78 lacs (Previous year ₹ 1192.39 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.
- 32 Considering the implementation of the scheme formulated and sanctioned for a sick company and that the net worth of the Holding Company is positive, it no longer being a Sick Industrial Company, the accounts of the Group are prepared on a going concern basis.

			For the Year ended March 31, 2015 ₹ in lacs	For the Year ended March 31, 2014 ₹ in lacs
<b>33 ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>				
i.	Value of imports calculated on CIF basis			
a.	Raw materials		<b>522.26</b>	Nil
b.	Fuel		<b>1,194.51</b>	Nil
c.	Components and Spare Parts		<b>369.09</b>	177.30
d.	Capital Goods		<b>Nil</b>	101.08
ii.	Expenditure in Foreign Currency			
a.	Traveling Expenses		<b>12.45</b>	2.65
b.	Sea Freight and Demurrage		<b>Nil</b>	57.16
c.	Professional Fees		<b>6.09</b>	3.58
d.	License / Registration of Trade Mark Fees		<b>0.52</b>	16.89
e.	Others		<b>3.99</b>	10.78
			<b>For the Year ended March 31, 2015</b>	<b>For the Year ended March 31, 2014</b>
			<b>₹ in lacs</b>	<b>%</b>
iii.	Value of Imported / Indigenous Consumption			
	Raw materials			
a.	Imported	<b>325.86</b>	<b>5.26%</b>	Nil
b.	Indigenous	<b>5,870.64</b>	<b>94.74%</b>	4,528.51
	Raw Materials - Indigenous	<b>6,196.50</b>	<b>100.00%</b>	4,528.51
	Spare Parts and Components			
a.	Imported	<b>277.83</b>	<b>6.96%</b>	493.51
b.	Indigenous *	<b>3,716.31</b>	<b>93.04%</b>	3,050.58
	* Includes amounts directly debited to various account heads	<b>3,994.14</b>	<b>100.00%</b>	3,544.09
iv.	Earnings in Foreign Currency			
a.	Exports on FOB basis	<b>7,782.20</b>		13,758.88
b.	Despatch money on Export of Goods	<b>41.09</b>		62.64

	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs
	<b>Compensated Absences</b>		<b>Gratuity</b>	
<b>34 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	294.84	276.04	729.25	713.99
Current Service Cost	20.38	16.39	30.67	31.57
Interest Cost	27.27	22.08	67.46	57.12
Actuarial (Gain) / Loss on obligations	24.33	(9.79)	107.78	(22.62)
Benefits paid	(49.64)	(9.88)	(78.78)	(50.81)
Present value of Obligation as at the end	317.18	294.84	856.38	729.25
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning	Not Applicable		6.43	3.88
Expected return on Plan Assets	Not Applicable		0.56	0.33
Contributions	Not Applicable		76.50	53.00
Benefits paid	Not Applicable		(78.77)	(50.81)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		(0.56)	0.03
Fair value of Plan Assets as at the end	Not Applicable		4.16	6.43
<b>iii. The amount recognised in Consolidated Balance Sheet</b>				
Gross value of present Obligation at the end	317.18	294.85	856.39	729.25
Fair Value of Plan Assets at the end	Nil	Nil	4.16	6.44
Net (Liability) recognised in Consolidated Balance sheet	317.18	294.85	852.23	722.81
<b>iv. Amount recognised in the Consolidated Statement of Profit and Loss</b>				
Current Service Cost	20.38	16.39	30.67	31.57
Interest Cost	27.27	22.08	67.46	57.12
Expected return on Plan Assets	Nil	Nil	(0.56)	(0.33)
Net actuarial (Gain) / Loss recognised in the year	24.33	(9.79)	108.34	(22.66)
Expenses Recognised in the Consolidated Statement of Profit and Loss	24.33	(9.79)	107.78	(22.99)
<b>v. Category of Assets</b>				
Insurer Managed Funds	Not Applicable		4.16	6.44
<b>vi. Assumptions</b>				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	7.95%	9.25%	7.95%	9.25%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		7.95%	8.70%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
<b>vii. 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. The Holding Company expects to contribute a sum of ₹ 110.75 lacs (Previous year ₹ 103.96 lacs) towards gratuity during the year ended March 31, 2016.
- 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. The same are disclosed hereunder to the extent available.

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Particulars - Gratuity	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Experience Adjustments				
On plan liability (gain) / loss	53.55	24.95	38.19	(146.79)
On plan assets gain / (loss)	(0.56)	0.03	(0.11)	(7.51)
Present value of benefit obligation	856.38	729.25	713.99	648.22
Fair value of plan assets	4.16	6.44	3.88	3.91
Excess of obligation over plan assets	852.23	722.81	710.11	644.30

	As at March 31, 2015	As at March 31, 2014
	₹ in lacs	₹ in lacs

### 35 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)	48,030.73	38,873.81
Exports - International markets	7,782.20	13,758.88
Total	55,812.93	52,632.69

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

### 36 RELATED PARTY DISCLOSURES

#### 36.1 List of related parties:

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

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

**36.2 Transactions with related parties:**

**i. Balances with promoter companies:**

	<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
Deposit with Sameta Exports Private Limited	<b>308.66</b>	308.66

**ii. Payments to Key Managerial Personnel:**

a. Remuneration to Mr. Jay M Mehta	<b>264.47</b>	87.64
b. Remuneration to Mr. M S Gilotra	<b>143.52</b>	127.62

**iii. Payments to relatives of Key Managerial Personnel:**

a. Directors sitting fees to Mr. Mahendra N Mehta	<b>1.20</b>	0.80
b. Deposits with Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	<b>130.00</b>	130.00
c. Rent to Mrs. Narinder Kaur	<b>9.00</b>	4.45

**iv. Transactions with Gujarat Sidhee Cement Limited**

a. Purchase of goods and materials	<b>2,857.25</b>	4,621.54
b. Sale of goods and materials	<b>132.42</b>	27.42
c. Expenses / (Recovery) for services (net)	<b>(112.57)</b>	(46.94)
d. Amount (receivable) / payable at the year-end	<b>(8.64)</b>	149.10

**37 EARNINGS PER SHARE**

	<b>For the Year ended March 31, 2015 ₹ in lacs</b>	<b>For the Year ended March 31, 2014 ₹ in lacs</b>
Weighted average number of equity shares of ₹ 10 each	<b>51,191,065</b>	51,191,065
Net Profit for the year	<b>6,760.82</b>	2,089.80
Less: Dividend payable to OCCPS holders [Refer Note 2.2(b)]	<b>89.39</b>	89.39
Net Profit available to equity shareholders	<b>6,671.43</b>	2,000.41
Basic and diluted earnings per share (in Rupees)	<b>13.03</b>	3.91



### 38 FINANCIAL INSTRUMENTS: DISCLOSURES

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

	As at March 31, 2015		As at March 31, 2014	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
Advances from Customers	Nil	Nil	1,105,469	667.04

### 39 DISCLOSURE BY WAY OF ADDITIONAL INFORMATION AS REQUIRED FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 :

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	₹ in lacs	As % of consolidated Profit or (Loss)	₹ in lacs
1	2	3	4	5
Parent :				
Saurashtra Cement Limited	91.95%	21,722.69	100.17%	6,772.04
	88.74%	14,963.43	99.39%	2,077.05
Subsidiaries Indian:				
1 Pranay Holdings Limited	2.53%	596.65	0.00%	(0.23)
	3.54%	596.78	0.35%	7.23
2 Prachit Holdings Limited	2.50%	591.49	0.00%	(0.23)
	3.51%	591.43	0.35%	7.25
3 Ria Holdings Limited	2.52%	594.30	-0.01%	(0.67)
	3.53%	594.86	0.35%	7.25
4 Reeti Investments Limited	0.22%	51.06	0.00%	(0.21)
	0.30%	50.98	0.02%	0.42
5 Agrima Consultants International Limited	0.29%	67.65	-0.15%	(9.88)
	0.39%	65.54	-0.45%	(9.40)
Minority Interest	Nil	Nil	Nil	Nil
<b>Current Year</b>	<b>100.00%</b>	<b>23,623.84</b>	<b>100.00%</b>	<b>6,760.82</b>
<b>Previous Year</b>	<b>100.00%</b>	<b>16,863.02</b>	<b>100.00%</b>	<b>2,089.80</b>

40 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 14, 2015

**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*

**Rakesh H. Mehta** *Chief Financial Officer*

**Sonali Sanas** *Vice President (Legal) & Company Secretary*

Mumbai, Dated May 14, 2015

# FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

Sl. No.	1	2	3	4	5	6
Name of the subsidiary	Pranay Holdings Limited	Prachit Holdings Limited	Ria Holdings Limited	Reeti Investments Limited	Agrima Consultants International Limited	Concorde Cement Pvt. Ltd.
Share capital	1,000.00 (403.45)	1,000.00 (410.71)	1,000.00 (405.80)	400.00 (389.79)	40.41 (158.90)	9.19 -
Reserves & surplus	597.57	591.55	594.86	51.17	75.55	-
Total Assets	1.02	2.26	0.66	40.96	194.03	-
Total Liabilities	476.58	478.19	478.17	50.42	0.25	-
Investments	0.00	0.00	-	-	24.22	-
Turnover	(0.23)	(0.23)	(0.67)	(0.21)	2.63	-
Profit / (Loss) before taxation	-	-	-	-	0.51	-
Provision for taxation	(0.23)	(0.23)	(0.67)	(0.21)	2.12	-
Profit / (Loss) after taxation	-	-	-	-	-	-
Proposed Dividend	100%	100%	100%	100%	100%	100%
% of shareholding						

## 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>Rakesh H. Mehta</b>	<i>Chief Financial Officer</i>
<b>Sonali Sanas</b>	<i>Vice President (Legal) &amp; Company Secretary</i>

Mumbai, Dated May 14, 2015

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BOOK-POST

If undelivered please return to:

Saurashtra Cement Limited, Near Railway Station, Ranavav 360 560,  
Tal: Ranavav, District: Porbandar, Gujarat.  
CIN: L26941GJ1956PLC000840



**SAURASHTRA CEMENT LIMITED**  
**(CIN : L26941GJ1956PLC000840)**

Registered Office: Near Railway Station, Ranavav 360 560 (Gujarat)  
Phone: 02801-235001/7, 02801-304200, Fax: 02801-304376  
Share Department : N. K. Mehta International House, 178, Backbay Reclamation, Mumbai – 400 020  
E-Mail: sclinvestorquery@mehtagroup.com; Website: www.saurashtracementlimited.com

**ATTENDANCE SLIP**

**57th Annual General Meeting**

Registered Folio No. / DP ID and Client ID:

Name and address of the shareholder(s):

Joint Holder 1:

Joint Holder 2:

I hereby record my presence at the **57th Annual General Meeting** of the Company held on **Wednesday the 23rd September, 2015** at **10.00 a.m.** at the Registered Office of the Company, Near Railway Station, Ranavav 360 560 (Gujarat),

Member's Signature

Proxy's name (in Block Letters)

Proxy's Signature

**Notes:**

1. Please mention the Folio No. / DP ID - Client ID & name and sign this Attendance Slip before handing it over at the attendance verification desk, at the entrance of the Meeting venue.
2. Electronic copy of the 57th Annual Report for FY 2014-15 and the Notice of the 57th Annual General Meeting (AGM) along with the Attendance Slip and Proxy Form is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant / RTA. Members receiving electronic copy and attending AGM are requested to print copy of this Attendance Slip.
3. Physical copy of the 57th Annual Report for FY 2014-15 and Notice of the 57th AGM, along with the Attendance Slip and Proxy Form, is being sent by permitted mode(s) of dispatch to all the Members, whose e-mail IDs are not registered with the Company / Depository Participant / RTA.

**E-voting Information**

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD / PIN

Please read instructions given under Note (s) to the Notice of the 57th Annual General Meeting carefully, before voting electronically.



**SAURASHTRA CEMENT LIMITED**  
(CIN : L26941GJ1956PLC000840)

Registered Office: Near Railway Station, Ranavav 360 560 (Gujarat)

Phone: 02801-235001/7, 02801-304200, Fax: 02801-304376

Share Department : N.K. Mehta International House, 178, Backbay Reclamation, Mumbai – 400 020

E-Mail: sclinvestorquery@mehtagroup.com; Website: www.saurashtracementlimited.com

**PROXY FORM**

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

Name of the member(s)			
Registered Address			
E-mail id			
Registered Folio No.			
DP-ID		Client ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	Name:			Signature:	
	Address:				
	E-mail Id:				
or failing him / her					
2.	Name:			Signature:	
	Address:				
	E-mail Id:				
or failing him / her					
3.	Name:			Signature:	
	Address:				
	E-mail Id:				

as my/our proxy to vote for me/us on my/our behalf at the 57th Annual General Meeting to be held on Wednesday the 23rd September, 2015 at 10.00 a.m. at the Registered Office of the Company, Near Railway Station, Ranavav 360 560 (Gujarat), and any adjournment thereof, in respect of such Resolutions as are indicated below:

Item No.	Resolutions	For	Against
	<b>Ordinary Business</b>		
1.	Adoption of the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the Financial Year ended on that date and the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Hemnabh Khatau (DIN:02390064) who retires by rotation.		
3.	Appointment of M/s. Banshi S. Mehta & Co., Chartered Accountants, having Registration No.100991W as the Auditors of the Company for the Financial Year 2015-16.		
	<b>Special Business</b>		
4.	Ratification of Cost Auditors remuneration to be paid to M/s. V. J. Talati & Co., Cost Accountants.		
5.	Substitution of existing set of Articles of Association with a new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013.		
6.	Revision in remuneration to Mr. Jay Mehta, Executive Vice Chairman for the period 1.4.2015 to 31.12.2015.		
7.	Re-appointment of Mr. Jay Mehta as Executive Vice Chairman for a further period of 5 years w.e.f. 1st January, 2016 to 31st December, 2020 and remuneration payable over a period of 3 years from 1st January, 2016 to 31st December, 2018.		
8.	Revision in remuneration to Mr. M. S. Gilotra, Managing Director for the period 1.4.2015 to 31.12.2015.		
9.	Re-appointment of Mr. M. S. Gilotra as Managing Director for a further period of 5 years w.e.f. 1st January, 2016 to 31st December, 2020 and remuneration payable over a period of 3 years from 1st January, 2016 to 31st December, 2018.		
10.	Section 188 of the Companies Act, 2013 for Related Party Transactions.		

Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder      Signature of second proxy holder      Signature of third proxy holder

Date:

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 57th Annual General Meeting.
- It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details of member(s) in above box before submission.

Revenue  
Stamp  
of  
₹ 1/-

## **SAURASHTRA CEMENT LIMITED**

(CIN : L26941GJ1956PLC000840)

Registered Office: Near Railway Station, Ranavav 360 560 (Gujarat)

E-Mail: sclinvestorquery@mehtagroup.com;

Website: www.saurashtracementlimited.com

Phone: 02801-235001, 02801-304200 Fax : 02801-304376

### **NOTICE**

Notice is hereby given that the 57th Annual General Meeting of the Members of the Company will be held on **Wednesday the 23rd September, 2015 at 10.00 a.m.** at the Registered Office of the Company, Near Railway Station, Ranavav 360 560 (Gujarat), to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2015, Audited Statement of Profit & Loss Account for the Financial Year ended 31st March, 2015 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Hemnabh Khatau (DIN: 02390064), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) M/s. Bansi S. Mehta & Co, Chartered Accountants (Firm Registration No.100991W) who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for audit of accounts for the Financial Year 2015-2016 and they shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 9,00,000/- (Rupees nine lacs only) plus service tax and reimbursement of travelling and out of pocket expenses actually incurred."

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

#### **SPECIAL BUSINESS**

4. To approve the appointment and remuneration of the Cost Auditors for the Financial Year ending March 31, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 (3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. V. J. Talati & Co, Cost Accountants as Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016, at a remuneration of ₹ 60,000 /- (Rupees sixty thousand only) plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of Audit, be and is hereby ratified."

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

5. To consider substitution of the existing set of Articles of Association with a new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013 and if thought fit, to pass with or without modification, the following resolution as **Special Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions if any of the Companies Act, 2013 and rules made thereunder; the existing Articles of Association of the Company be and is hereby substituted, replaced, altered, modified or revised as per the new set of Articles of Association ("New Articles"), a copy of which is placed before the meeting and duly initialed by the Chairman for identification and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company with effect from the date hereof in substitution and entire exclusion of the existing Articles of Association.



**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution. ”

6. To consider and if thought fit, to pass with or without modification(s) the following resolution for revision in remuneration to Mr. Jay Mehta, Executive Vice Chairman as **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and 203(3) read with Schedule V and other applicable provisions of the Companies Act, 2013; as amended from time to time and subject to approval of the Central Government and subject to such approvals, consents and permissions as may be necessary and subject to such modifications, variations as may be approved and acceptable to Mr. Jay Mehta, Executive Vice Chairman, the consent of the Members be and is hereby accorded for revised remuneration of ₹ 12,10,000 (Rupees twelve lacs ten thousand only) per month to Mr. Jay Mehta, Executive Vice Chairman with effect from 1.4.2015 upto 31.12.2015 as detailed in the Explanatory Statement by way of Salary plus HRA or Company leased accommodation plus perquisites, reimbursement of expenses and provident fund, superannuation fund and gratuity as per rules of the Company.”

**“RESOLVED FURTHER THAT** above remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in any Financial Year during his tenure.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company / Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions as may be agreed to between the Board of Directors and Mr. Jay Mehta within such guidelines or amendments as may be prescribed by the Companies Act, 2013 or subject to such approval as may be required.”

**“RESOLVED FURTHER THAT** any Director of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions”.

7. To consider and if thought fit pass with or without modification(s) the following resolution for re-appointment of Mr. Jay Mehta designated as the Executive Vice Chairman as **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Jay Mehta as Executive Vice Chairman of the Company for a period of 5 (Five) years with effect from 1st January, 2016 to 31st December 2020.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Members be and is hereby accorded to pay Mr. Jay Mehta, Executive Vice Chairman remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹35,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any Financial Year during the tenure of his appointment, the above mentioned remuneration shall be paid to Mr. Jay Mehta as Minimum Remuneration.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company / Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions of appointment as may be agreed to between the Board of Directors and Mr. Jay Mehta within such guidelines or amendments as may be prescribed by the Companies Act, 2013 or subject to such approval as may be required.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution for revision in remuneration to Mr. M. S. Gilotra, Managing Director as **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and 203(3) read with Schedule V and other applicable provisions of the Companies Act, 2013; as amended from time to time and subject to approval of the Central Government and subject to such approvals, consents and permissions as may be necessary and subject to such modifications, variations as may be approved and acceptable to Mr. M. S. Gilotra, Managing Director, the consent of the Members be and is hereby accorded for revised remuneration of ₹ 8,03,000 (Rupees eight lacs three thousand only) per month to Mr. M. S. Gilotra, Managing Director with effect from 1.4.2015 upto 31.12.2015 as detailed in the Explanatory Statement by way of Salary plus HRA or Company leased accommodation plus perquisites, reimbursement of expenses and provident fund, superannuation fund and gratuity as per rules of the Company.”

**“RESOLVED FURTHER THAT** above remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in any Financial Year during his tenure.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company / Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions as may be agreed to between the Board of Directors and Mr. M. S. Gilotra within such guidelines or amendments as may be prescribed by the Companies Act, 2013 or subject to such approval as may be required.”

**“RESOLVED FURTHER THAT** any Director of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions”.

9. To consider and if thought fit pass with or without modification(s) the following resolution for re-appointment of Mr. M.S. Gilotra as Managing Director as **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. M.S. Gilotra as Managing Director of the Company for a period of 5 years with effect from 1st January, 2016 to 31st December, 2020.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Members be and is hereby accorded to pay Mr. M. S. Gilotra, Managing Director remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹20,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in relevant Financial Year during the tenure of his appointment the above mentioned remuneration shall be paid to Mr. M.S. Gilotra as Minimum Remuneration.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company / Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions of appointment as may be agreed to between the Board of Directors and Mr. M.S. Gilotra within such guidelines or amendments as may be prescribed by the Companies Act, 2013 or subject to such approval as may be required.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company / Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolutions”.

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 read with applicable rules made under the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of the applicable Listing Agreement executed with the Stock Exchanges (including any amendment, modifications or re-enactment thereof), and pursuant to consent of the Audit Committee and the Board of Directors at the meeting held on 11th August 2015, the consent of the Members of the Company be and is hereby accorded to continue/ enter into contracts or arrangements with the Related Parties as defined under the Act and Rules made thereunder as per details and on such terms and conditions as set out in explanation to Item No. 10 of the Explanatory Statement annexed to this Notice.”

**RESOLVED FURTHER THAT** although all transactions and arrangements with the related parties are presently within 10% of the total turnover of the Company, in the ordinary course of business and at arms length basis; the aforesaid consent is sought as an abundant caution for Financial Year 2015-16 and beyond and the Board of Directors and / or any committee be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things in its absolute discretion including delegate such authority as may be deemed necessary, proper or expedient to any persons as they deem fit to give effect to this resolution and for the matters connected herewith or incidental thereto.”

By Order of the Board of Directors

Place : Mumbai,  
Dated : 11th August, 2015

**Sonali Sanas**  
**Vice President (Legal) & Company Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560  
Gujarat.

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business specified above is annexed hereto.
3. Re-appointment of Directors.  
Pursuant to Clause 49 of the Listing Agreement relating to code of Corporate Governance, the profile of director proposed to be re-appointed at the ensuing Annual General Meeting is annexed to the Notice.
4. The Share Transfer Books and Register of Members of the Company shall remain closed from **Monday the 14th September, 2015 to Wednesday the 23rd September, 2015** (both days inclusive) in connection with the Annual General Meeting.
5. Only bonafide Members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps necessary to restrict non Members from attending the meeting.
6. Members who have multiple accounts in identical names or joint accounts in same order are requested to send their share certificates to the Registrar and Transfer Agents for consolidation of all such shareholdings into one account to facilitate better service.
7. (a) Members are requested to notify immediately any change of address:
  - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
  - ii. To the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078 in respect of their physical share folios, if any.
- (b) In case the mailing address mentioned on this Annual Report is without the PIN CODE, Members are requested to kindly inform the Registrars their PIN CODE immediately.

8. Non-resident Indian Shareholders are requested to inform the Registrars immediately of the change in their residential status, if any.
9. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agent.**
10. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Annual General meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
11. Electronic copy of the Annual Report for 2014-15 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode. **Members are requested to Register their e-mail ID with respective Depository Participant(s) and/or Registrars & Transfer Agents to support Green Initiative of Government of India.**
12. Electronic copy of the Notice of the 57th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 57th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 57th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.saurashtacementlimited.com](http://www.saurashtacementlimited.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10.00 a.m. to 12 noon on any working day till the date of the ensuing Annual General Meeting. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: [scinvestorquery@mehtagroup.com](mailto:scinvestorquery@mehtagroup.com).
14. **Shares of the Company are compulsorily required to be traded in demat form. If you have not demated your shares, you are requested to get the shares dematted at the earliest in your own interest.**
15. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL) and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - II. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date **16th September, 2015**.
  - III. The voting period begins on **19th September, 2015 at 9.00 a.m.** and ends on **22nd September, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - IV. A Member may participate in the General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
  - V. The Chairman shall at the Annual General Meeting at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser by use of ballot or polling paper for all those Members who are present at the General Meeting but have not cast their votes availing the remote e-voting facility.
  - VI. Mr. Sachin Ahuja, Chartered Accountant (Membership No. 109019) and Proprietor of M/s. Sachin Ahuja & Associates., Chartered Accountants (Membership No. 133448W) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.saurashtracementlimited.com](http://www.saurashtracementlimited.com) and on the website of CDSL immediately on passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**The instructions for shareholders voting electronically are as under:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on Shareholders.
3. Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the Electronic Voting Sequence Number (EVSN) for relevant Company Name "Saurashtra Cement Limited" on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
Any further queries can be addressed to Mr. Sharad Patkar (Senior Executive), Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, E-mail ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

By Order of the Board of Directors

Place : Mumbai,  
Dated : 11th August, 2015

**Sonali Sanas**  
**Vice President (Legal) & Company Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560  
Gujarat.

## EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)

### Item No. 4

The Board has on the recommendation of the Audit Committee, approved the appointment M/s. V. J. Talati & Co., Cost Accountants as Cost Auditor of the Company at a remuneration of ₹ 60,000/- plus service tax and reimbursement of travelling and out of pocket expenses to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016.

The remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors needs to be ratified by the Members of the Company.

Accordingly the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for appointment and remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Accordingly the Board recommends the above resolution for approval of the Members.

### Item No. 5

To ensure proper references and alignment to various Sections / provisions of the Companies Act, 2013 the Directors recommend replacement of the existing Articles of Association of the Company with a new set of Articles of Association of the Company drafted keeping in mind the provisions of the Companies Act, 2013.

Accordingly the Board recommends the above resolutions for approval of the Members.

### Item No. 6

The Members at their Extra Ordinary General Meeting held on 1st February 2013 had by way of Special Resolution approved the appointment of Mr. Jay Mehta as Executive Vice Chairman for a period of three years from 1st January 2013 to 31st December 2015 on the terms and conditions, including remuneration payable to the Executive Vice Chairman.

Schedule V, Part II, Section V of the Companies Act, 2013 provides that where a managerial person draws remuneration from two companies, then the total remuneration drawn from companies does not exceed higher maximum limit permissible from any one of the companies. Mr. Jay Mehta is also Executive Vice Chairman of Gujarat Sidhee Cement Limited.

Further, as per the authority delegated to the Board of Directors at its meetings held on 1st February, 2013 and 31st July 2013, the Board at its meeting held on 14th May 2015 on the recommendation of Nomination & Remuneration Committee revised the remuneration of Mr. Jay Mehta, Executive Vice Chairman for the period 1.4.2015 to 31.12.2015 as detailed below by way of Salary plus HRA or Company leased accommodation plus perquisites, reimbursement of expenses and provident fund and superannuation as per rules of the Company, subject to the approval of the Members of the Company, the Central Government and any other authorities as may be required.

Sr. No.	Particulars	From 1.4.2015 to 31.12.2015
A	Salary (Per month)	12,10,000
	HRA @ 50% or Company owned/ leased accommodation	6,05,000
	Medical @ 8.33%	1,00,793
	LTA @ 12.5%	1,51,250
	Soft Furnishing	583
	Magazine	300
	Servant	900
	Superannuation (to the extent taxable)	1,73,167
		<b>22,41,993</b>
B	Provident Fund @ 12%	1,45,200
	Superannuation (to the extent not taxable)	8,333
	Gratuity	58,173
		<b>2,11,706</b>
	Total Remuneration per month	<b>24,53,699</b>
	Total Remuneration per annum	<b>2,94,44,388</b>



In addition to the above, Mr. Jay Mehta shall also be entitled to the following by way of reimbursement as per Company's rules."

1. Personal Accident Insurance and Medi-claim insurance for self and family.
2. Encashment of unavailed leave at the end of the tenure.
3. Reimbursement of gas, electricity, water charges etc., at actuals.

Further, in addition to the above, Mr. Jay Mehta will also be entitled to the following in the course of discharging the duties and responsibilities and these will not be considered as part of above limits of remuneration".

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of ₹ 50,000 per month on submission of supporting/declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Car with driver and communication facilities at residence for the business of the Company.
4. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
5. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

The above remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in any Financial Year during his tenure.

Taking into consideration the above and the terms of appointment agreed with Mr. Jay Mehta, Executive Vice Chairman, it is proposed to obtain Members approval by way of Special Resolution as stated herein above, to revise the remuneration payable to Mr. Jay Mehta, Executive Vice Chairman for the period 1.4.2015 to 31.12.2015 to enable the Company to approach the Central Government for their approval.

Mr. Jay Mehta is interested in this resolution. Mr. M. N. Mehta being related to Mr. Jay Mehta, may be deemed to be concerned or interested in the resolution of Mr. Jay Mehta, Executive Vice Chairman. Save and except them, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

## Item No.7

The Members at their Extra Ordinary General Meeting held on 1st February 2013 had by way of Special Resolution approved the appointment of Mr. Jay Mehta as Executive Vice Chairman for a period of three years from 1st January 2013 to 31st December 2015 on the terms and conditions, including remuneration payable to the Executive Vice Chairman.

His current term of appointment as Executive Vice-Chairman of the Company will expire on December 31, 2015 and considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Jay Mehta should be available to the Company for a further period of 5 years with effect from 1st January 2016.

At the meeting of the Board of Directors of the Company held on 14th May 2015, subject to the approval of the Members, the Central Government and any other authorities, as may be required, the Board considered the recommendation of Nomination and Remuneration Committee and approved the re-appointment of Mr. Jay Mehta as Executive Vice Chairman for a period of 5 years with effect from 1st January 2016 to 31st December 2020.

At the said meeting of the Board of Directors of the Company held on 14th May 2015, subject to the approval of the Members, the Central Government and any other authorities, as may be required, the Board considered the recommendation of Nomination and Remuneration Committee and also approved to pay Mr. Jay Mehta, Executive Vice Chairman remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 35,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

In the event of loss or inadequacy of profits in any Financial Year during the tenure of his appointment, the above mentioned remuneration shall be paid to Mr. Jay Mehta as Minimum Remuneration.



### **Background, terms and conditions of appointment and Remuneration of Mr. Jay Mehta, Executive Vice-Chairman.**

Mr. Jay Mehta 54 years has done B.S. (Industrial Engineering) from Columbia University, New York, U.S.A and has completed his MBA, IMD from Lausanne, Switzerland in 1991. Mr. Jay Mehta was earlier Vice President (Technical) and thereafter from 1987 to 1989, he was Executive Director of Gujarat Sidhee Cement Ltd. At present he is also the Executive Vice Chairman of 'Gujarat Sidhee Cement Limited' (GSCL), an Associate Company and part of Mehta Group.

### **Remuneration**

Remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 35,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

In addition to the above, Mr. Jay Mehta shall also be entitled to the following by way of reimbursement as per Company's rules."

1. Personal Accident Insurance and Medi-claim insurance for self and family.
2. Encashment of unavailed leave at the end of the tenure.
3. Reimbursement of gas, electricity, water charges etc., at actuals.

Further, in addition to the above, Mr. Jay Mehta will also be entitled to the following in the course of discharging the duties and responsibilities and these will not be considered as part of above limits of remuneration".

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of ₹ 50,000 per month on submission of supporting/declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Car with driver and communication facilities at residence for the business of the Company.
4. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
5. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

The above appointment can be terminated by either side by giving three months' notice in writing. However, the Company can determine the same by giving three months' salary in lieu thereof. The remuneration payable to him is commensurate with his abilities and experience and accordingly the Board recommends resolution no. 7 of the accompanying Notice for approval of Members of the Company.

Mr. Jay Mehta is interested in his own re-appointment and remuneration. Mr. M. N. Mehta being related to Mr. Jay Mehta, may be deemed to be concerned or interested in re-appointment of Mr. Jay Mehta as Executive Vice Chairman. Save and except them, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly the Board recommends passing of the special resolution as set out in the item nos. 6 & 7 for the approval of the Members.

### **Item No. 8**

The Members at their Extra Ordinary General Meeting held on 1st February 2013 had by way of Special Resolution approved the appointment of Mr. M. S. Gilotra as Managing Director for a period of three years from 1st January 2013 to 31st December 2015 on the terms and conditions, including remuneration payable to the Managing Directors.

Schedule V, Part II, Section V of the Companies Act, 2013 provides that where a managerial person draws remuneration from two companies, then the total remuneration drawn from companies does not exceed higher maximum limit permissible from any one of the companies. Mr. M. S. Gilotra is also Managing Director of Gujarat Sidhee Cement Limited.

Further, as per the authority delegated to the Board of Directors at its meetings held on 1st February 2013 and 31st July 2013, the Board at its meeting held on 14th May 2015 on the recommendation of Nomination & Remuneration Committee revised the remuneration of Mr. M. S. Gilotra, Managing Director for the period 1.4.2015 to 31.12.2015 as detailed below by way of Salary plus HRA or Company leased accommodation plus perquisites, reimbursement of expenses and provident fund and superannuation fund as per rules of the Company, subject to the approval of the Members of the Company, the Central Government and any other authorities as may be required.

Sr. No.	Particulars	From 1.4.2015 to 31.12.2015
A	Salary (Per month)	8,03,000
	Medical @ 8.33%	66,890
	LTA @ 12.5%	1,00,375
	Soft Furnishing	583
	Magazine	300
	Servant	900
	Special Allowance	83,000
	Superannuation (to the extent taxable)	1,12,117
		<b>11,67,165</b>
B	Provident Fund @ 12%	96,360
	Superannuation (to the extent not taxable)	8,333
	Gratuity	38,606
		<b>1,43,299</b>
	Total Remuneration per month	<b>13,10,464</b>
	Total Remuneration per annum	<b>1,57,25,568</b>

In addition to the above, Mr. M. S. Gilotra shall also be entitled to the following by way of reimbursement as per Company's rules."

1. Reimbursement for gas, electricity, water charges, etc. at actuals.
2. Personal Accident Insurance and Medi-claim insurance for self and family.
3. Medical reimbursement for self and family.
4. Reimbursement of Leave Travel Expenses for self and family.
5. Encashment of unavailed leave at the end of the tenure.

Further, in addition to the above, Mr. M. S. Gilotra will also be entitled to the following in the course of discharging the duties and responsibilities and these will not be considered as part of above limits of remuneration".

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of ₹ 50,000 per month on submission of supporting/declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Car with driver and communication facilities at residence for the business of the Company.
4. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
5. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

The above remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in any Financial Year during his tenure.

Taking into consideration the above and the terms of appointment agreed with Mr. M. S. Gilotra, Managing Director, it is proposed to obtain Members approval by way of Special Resolution as stated herein above, to revise the remuneration payable to Mr. M. S. Gilotra, Managing Director for the period 1.4.2015 to 31.12.2015 to enable the Company to approach the Central Government for their approval.

Save and except Mr. M. S. Gilotra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

## Item No.9

The Members at their Extra Ordinary General Meeting held on 1st February 2013 had by way of Special Resolution approved the appointment of Mr. M. S. Gilotra as Managing Director for a period of three years from 1st January 2013 to 31st December 2015 on the terms and conditions, including remuneration payable to the Managing Directors.

His current term of appointment as Managing Director of the Company will expire on December 31, 2015 and considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. M. S. Gilotra should be available to the Company for a further period of 5 years with effect from 1st January 2016.

At the meeting of the Board of Directors of the Company held on 14th May 2015, subject to the approval of the Members, the Central Government and any other authorities, as may be required, the Board considered the recommendation of Nomination and Remuneration Committee and approved the re-appointment of Mr. M.S. Gilotra as Managing Director for a period of 5 years with effect from 1st January 2016 to 31st December 2020.

At the said meeting of the Board of Directors of the Company held on 14th May 2015, subject to the approval of the Members, the Central Government and any other authorities, as may be required, the Board considered the recommendation of Nomination and Remuneration Committee and also approved to pay Mr. M. S. Gilotra, Managing Director remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 20,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

In the event of loss or inadequacy of profits in any Financial Year during the tenure of his appointment, the above mentioned remuneration shall be paid to Mr. M. S. Gilotra as Minimum Remuneration."

#### **Background, terms and conditions of appointment and Remuneration of Mr. M. S. Gilotra, Managing Director**

Mr. M. S. Gilotra (65 years) is B.E. (Hons.) in Mechanical Engineering and having nearly 40 years of experience in cement industry. At present he is also the Managing Director of 'Gujarat Sidhee Cement Limited' (GSCL), an Associate Company and part of Mehta Group.

#### **Remuneration**

Remuneration over a period of three years from 1st January, 2016 to 31st December, 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 20,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.

In addition to the above, Mr. M. S. Gilotra shall also be entitled to the following by way of reimbursement as per Company's rules.

1. Reimbursement for gas, electricity, water charges, etc. at actuals.
2. Personal Accident Insurance and Medi-claim insurance for self and family.
3. Medical reimbursement for self and family.
4. Reimbursement of Leave Travel Expenses for self and family.
5. Encashment of unavailed leave at the end of the tenure.

Further, in addition to the above, Mr. M. S. Gilotra will also be entitled to the following in the course of discharging the duties and responsibilities and these will not be considered as part of above limits of remuneration.

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of ₹ 50,000 per month on submission of supporting/declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Car with driver and communication facilities at residence for the business of the Company.
4. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
5. Entrance Fees / Subscription or reimbursement of Club Fees on actual basis.

The above appointment can be terminated by either side by giving three months' notice in writing. However, the Company can determine the same by giving three months' salary in lieu thereof. The remuneration payable to him is commensurate with his abilities and experience and accordingly recommends resolution nos. 9 of the accompanying Notice for approval of Members of the Company.

Save and except Mr. M. S. Gilotra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly the Board recommends the passing of the special resolutions as set out in the item nos. 8 and 9 for the approval of the Members.

## Item No.10

### Approval for Related Party Transactions

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of the Companies (Meeting of Board and its Powers) Rules, 2014 and revised Clause 49 of the Listing Agreement which has come into operation from 1st October 2014 mandates approval of Members for material Related Party Transactions. The proviso to Section 188 also states that nothing in Section 188 (1) will apply to any transaction entered into by the Company in its ordinary course of business and at arm's length basis.

The provisions of Section 188(3) also provides that if any contract or arrangement entered into under Section 188(1) is not ratified by the Board or as the case may be by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board.

Pursuant to the provisions of the Companies Act 2013, the Board of Directors of the Company has approved from time to time all the transactions/arrangements along with periodic limits that the Company may enter into with the related parties. All these transactions are in the ordinary course of business and at arms length basis.

In view of the proposed transaction relating to the sale of power from the Company to Gujarat Sidhee Cement Limited (GSCL), a related party; the total value of transactions with GSCL may exceed 10% of the total turnover of the Company, and the price of the same shall be fixed for a period of 5 years.

All prescribed disclosures as required to be given under the provisions of the Companies Act 2013 and the Companies (Meetings of the Board and its powers), Rules 2014 are given here in below in a tabular format for kind perusal of the Members:

Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Relationship	Nature, material terms and particulars of contracts and arrangement	Maximum Value of the Contract and arrangement per annum for the Financial year 2015-16 and beyond (in Lacs)
Gujarat Sidhee Cement Limited (GSCL)	Mr. Jay Mehta Executive Vice Chairman	Mr. Jay Mehta is son of Mr. M.N. Mehta and husband of Mrs. Juhi Chawla Mehta. Mr. M. N. Mehta is also Chairman of GSCL and Mrs Juhi Chawla Mehta is Director of GSCL.	1. To sell surplus power upto 5 MW to GSCL under wheeling arrangement. 2. The term of the contract shall be maximum upto 5 years from the date of execution.	1,750
--do--	--do--	--do--	Purchase/Sale of clinker from/to GSCL in a Financial Year.	6,250
--do--	--do--	--do--	Purchase/Sale of cement from/to GSCL in a Financial Year.	3,000
--do--	--do--	--do--	Availing, rendering services like administration, human resources, brand fee etc.	150

Except Mr. M. N. Mehta and Mr. Jay Mehta, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at item no. 10 of the Notice.

The Board recommends passing of the resolution as Special resolution.

## STATEMENT OF PARTICULARS (ITEM NO. 7 AND 9)

(Pursuant to Schedule-V of the Companies Act, 2013)

<b>I. General Information :</b>				
1.	Nature of Industry			
	Manufacturers of Ordinary Portland Cement, Portland Pozzalona Cement and Cement Clinker.			
2.	Commencement of commercial production: August, 1960			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. Not applicable.			
4.	Financial performance (standalone) based on given indicators:			
		<b>2014-15 (₹Lacs)</b>	<b>2013-14 (₹Lacs)</b>	<b>2012-13 (₹Lacs)</b>
	Sales and other income	56991.43	53596.94	54773.94
	Profit before Depreciation, Interest and Tax but after prior period items	9657.57	6288.24	12271.19
	Depreciation / Amortization	3486.15	2586.21	3439.60
	Interest and Finance Charges	1337.55	1636.97	3338.27
	Profit /(Loss) before Exceptional items and tax	4833.87	2065.06	5493.32
	Exceptional Gain / (Loss)	3089.56	-	16115.29
	Profit /(Loss) after tax	6760.02	2065.06	18403.93
5.	Export performance and net foreign exchange collaborations:			
	Export of Goods (FOB basis)	7782.20	13758.88	9484.81
6.	Foreign investments or collaborators, if any.			
	No. of Equity Shares.	Nil	Nil	Nil
	Equity Shareholding (%)	Nil	Nil	Nil
<b>II. Information about the appointee:</b>				
1.	Background details:			
	<b>Mr. Jay Mehta, EVC</b> Mr. Jay Mehta, is B.S. in Industrial Engg. USA, MBA from IMD, Lausanne, Switzerland. He is having vast experience in Cement Industry. He is also Executive Vice Chairman of Gujarat Sidhee Cement Limited. He is Director on the following companies. <ul style="list-style-type: none"> <li>➤ Pranay Holdings Limited</li> <li>➤ Prachit Holdings Limited</li> <li>➤ Ria Holdings Limited</li> <li>➤ Reeti Investments Limited</li> <li>➤ Agrima Consultants International Limited</li> <li>➤ ADF Foods Ltd.</li> <li>➤ Mehta Pvt. Ltd.</li> <li>➤ Galaxy Technologies P. Ltd.</li> <li>➤ Omna Exports Pvt Ltd.</li> <li>➤ Arclightz &amp; Films Pvt. Ltd.</li> <li>➤ Good Karma Hospitality Pvt Ltd.</li> <li>➤ Knight Riders Sports Pvt Ltd.</li> <li>➤ Indianapolis Hospitality Pvt. Ltd.</li> <li>➤ Bhadra Textiles &amp; Trading Private Limited</li> <li>➤ Parsec Enterprises Private Limited</li> <li>➤ Omna Enterprises LLP</li> </ul> He holds 14,630 equity shares of the Company.		<b>Mr. M.S. Gilotra, MD</b> Mr. M.S. Gilotra, is B.E. (Hons) in Mech. Engineering. A technocrat having over 40 years experience in Cement Industry & held senior management positions, a large part of which (21 years) was with ACC Ltd. He is also Managing Director of Gujarat Sidhee Cement Limited. He is not holding any shares in the Company.	

2.	Past remuneration from this Company for the period 1.4.2014 to 31.3.2015	
	Salary & Others – ₹ 264.47 lacs	Salary & Others – ₹ 143.52 lacs
3.	Recognition or award: Nil	Nil
4.	Job profile & his suitability: Mr. Jay Mehta, as Executive Vice Chairman is responsible for overall management of the Company and is a promoter director.	Mr. M. S. Gilotra, as Managing Director is responsible for Production, Marketing and Overall management.
5.	Remuneration proposed :	
	<b>Mr. Jay Mehta, Executive Vice Chairman</b>	<b>Mr. M.S. Gilotra, Managing Director</b>
	Remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 35,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.  Tenure : 1st January, 2016 to 31st December, 2018.  The aforesaid remuneration shall be paid as minimum remuneration in case of loss or inadequacy of profits in relevant year during his tenure.	Remuneration over a period of three years from 1st January 2016 to 31st December 2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015 and thereafter for the balance period to be decided by the Nomination & Remuneration Committee and Board on annual basis but not exceeding ₹ 20,00,000/- per month for the third year by way of Salary plus HRA or Company leased accommodation plus perquisites and reimbursement of expenses plus provident fund and superannuation fund as per the rules of the Company and gratuity payable at the time of retirement.  Tenure : 1st January, 2016 to 31st December 2018.  The aforesaid remuneration shall be paid as minimum remuneration in case of loss or inadequacy of profits in relevant year during his tenure.

6. Comparative remuneration profile with respect to Industry, Size of the company, profile of the position and person. (in case of expatriates the relevant details would be with reference to the country of origin.)

Comparative remuneration profile with respect to industry:

Comparative figures of remuneration to Managing Directors / Executive Directors paid by Companies in India of similar size are given below:

Sr. No	Name of the Company	Financial Year ended	Turn Over ₹ in crores	Profit after tax ₹ in crores	Remuneration paid per annum ₹ in crores	Installed Capacity per annum (in Lacs MT)
1	Ambuja Cement Ltd	31.12.2014	9911.00	1496.00	7.17	287.5
2	Sanghi Cement Ltd	30.06.2013	1178.42	45.88	5.12	30.0
3	Ultra Tech Cement	31.03.2014	20078.00	2144.00	9.15	539.5
4	ACC Cement	31.12.2014	11481.00	1168.00	7.44	310.8
5	Shree Digvijay Cement Co.Ltd.	31.12.2014	460.45	3.65	0.65	10.75

7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	
Mr. Jay Mehta – Promoter Director and is related to Mr. M.N. Mehta, Chairman.	Mr. M.S. Gilotra – Nil
<b>III Other information.</b>	
1. <u>Reasons of loss or inadequate profits.</u> The slow growth of economy resulted in lower consumption of cement. The large capacity additions in previous years have resulted in low cement prices. The increase in cost and government levies have resulted in inadequate profits.	
2. <u>Steps taken or proposed to be taken for improvement.</u> Improve capacity utilisation by exporting cement to neighbouring countries, reduction in cost through greater efficiency and lower energy consumption.	
3. <u>Expected increase in productivity and profits in measurable terms.</u> Capacity utilisation will be maintained above 100 percent. Further reduction in cost and improvement in market realisation would result in adequate profits in coming years.	

By Order of the Board of Directors

Place : Mumbai,  
Dated : 11th August, 2015

**Sonali Sanas**  
**Vice President (Legal) & Company Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560  
Gujarat.

**DISCLOSURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

Name of Director	Mr. Hemnabh R. Khatau
Date of Birth	27th February, 1961
Date of Appointment	25th October, 2008
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance.
Qualification	B.A. (Engg). from Cambridge, M.Sc (UMIST)
List of outside Directorships held (Public Limited Companies)	1. Gujarat Sidhee Cement Limited 2. Pranay Holdings Limited 3. Prachit Holdings Limited 4. Ria Holdings Limited 5. Reeti Investments Limited 6. Agrima Consultants International Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director	
a) Audit Committee	Nil
b) Shareholders Committee	Nil
Shares held by the Directors in the Company	Nil